

EUROPEAN NEWS

N-test talks fail to bridge differences

By William Dulforce in Geneva

THE US and the Soviet Union have failed to fulfil expectations that they would resolve their remaining differences over how to monitor underground nuclear tests in six weeks of negotiations here.

verification techniques it was proposing. Both agreed that protocols to the two treaties should be negotiated, to provide a "menu" of acceptable techniques that would be used to measure future nuclear tests.

Walesa offers deal to Communist coalition

By John Lloyd in Warsaw

MR LECH WALESZA has opened a new front in the war of attrition between government and opposition in Poland by offering the Peasant and Democratic parties - inert partners of the Communists for 40 years - independent and active roles in Solidarity-dominated government.

This judgment is backed by political commentators in Warsaw who see a gathering momentum of social unrest. The commentators point to a threatened wave of strikes on the railways and in posts and telecommunications and to the lack of food supplies, especially meat.



Walesa: opening new front

will dominate voting in the lower house. The movement already commands all but one of the 100 seats in the Senate, or upper house. Against the idea, however, is: The conservatism of the coalition parties. Mr Malinowski, speaking to the Financial Times yesterday, said the call from Mr Walesa was "demagogic" and that Poland needed a grand coalition of all the parties, including the Communists, not rule by Solidarity.

economic programme. It contains a diversity of views on the economy, ranging from neo-liberal to vaguely socialist, while its main publications have tended to support wage indexation and the strikes now being mounted almost daily for higher pay.

Visa demand forces Bonn to shut E Berlin mission

WEST Germany yesterday shut its East Berlin diplomatic mission to stem the flood of people seeking exit visas to the West and to limit damage to its fragile relations with East Germany. Reuters reports from East Berlin.

East Germany's Communist Party daily Neues Deutschland yesterday printed an official statement warning Bonn it could damage ties by allowing East Germans to shelter in the mission and its Prague and Budapest embassies.

Norwegian Government may survive a poll defeat

By Robert Taylor in Stockholm

NORWAY'S Labour Government would not resign immediately if it lost next month's general election, Mrs Gro Harlem Brundtland, the Prime Minister, said yesterday. She does not believe the right-wing opposition parties could unite to form an alternative administration even if they outnumbered her party in the next Parliament.

Exodus of ethnic Turks from Bulgaria tops quarter million

By Jim Rodgers in Ankara

THE NUMBER of ethnic Turks who have crossed from Bulgaria into Turkey this summer rose to 250,000 yesterday, making the exodus one of the largest population movements in Europe since the late 1940s.

paring to take the issue to the United Nations Security Council. "We are making careful preliminary contacts with Cypriot members in order not to risk a negative vote."

to the Security Council if ethnic Turks from Bulgaria are settled in significant numbers in Turkish-occupied northern Cyprus, from which nearly 200,000 Greek-Cypriots were driven by the 1974 Turkish invasion.

Czechs flock abroad as travel curbs are eased

By Leslie Collins in Berlin

THE HARDLINE leadership in Prague is letting Czechoslovakians travel to the West in record numbers and has made the first important concessions to the Roman Catholic Church in 16 years.

Cardinal Tomasak, head of Czechoslovakia's Catholic Church, has offered to mediate between the Government and the liberal opposition, which has gathered 15,000 signatures for a petition calling for more political freedom. The offer comes amid increasing fears that protests marking the August 21 anniversary of the Soviet invasion will be ruthlessly suppressed.

Growth in TV viewing

By David Goodhart in Bonn

West Germany now has more viewers of cable and satellite TV than any other country in Europe according to a report by the London-based PETA research group funded by various public and private broadcasting systems.

don tennis singles finals live-both of them won by Germans - having outbid the two public-sector stations ARD and ZDF. RTL-plus can now be picked up in about 5m German households a far more than its main rival Sat-1.

Convertible lira a step closer

By Jim Rodgers

LEGISLATION taking the Turkish lira another step down the road to full convertibility - at least on the Turkish side - has been presented to President Kenan Evren for approval.

Estonian Supreme Soviet votes to disenfranchise ethnic groups

ESTONIA'S parliament yesterday passed a law disenfranchising many non-Estonians. The move is likely to worsen relations with the republic's sizeable Russian minority, Reuters reports from Moscow.

which are due late this year, but local journalists said they believed it could eventually be extended to the republic's Supreme Soviet. "We do not yet have a law establishing Estonian citizenship, but this is the next best thing," said Mr Eugen Pess, a spokesman for the Estonian Popular Front, a radical mass movement which has backed the call for universal suffrage.

effect, this means Turks are free to deposit up to \$3,000 abroad without official permission. Incentives have also been increased to encourage repatriation of overseas earnings. Turks have been allowed to hold foreign currency accounts internally since 1984. The new law has been described as a lesser extent other hard currencies, have almost become parallel currencies with the lira.

Yeltsin hits at Soviet leadership

By Robert Taylor in Stockholm

NEITHER President Mikhail Gorbachev nor Mr Nikolai Ryzhkov, the Soviet Prime Minister, have a clear plan for rescuing the country from its economic and financial crisis, according to Mr Boris Yeltsin, a candidate for the vacant posts of the vacant posts. The Vatican, which has resisted the demand, says none of the appointees is a member.

Writing yesterday in the main Swedish morning newspaper, Dagens Nyheter, the former Moscow party leader and head of a radical group of deputies in the new Soviet Parliament, also claimed that Mr Gorbachev's social policies were "vague and inconsistent" and that he had "not made a contribution to the rapidity of economic development."

Dinosaur attitudes stifle initiative in Austria's museums

Judy Dempsey reports on the bureaucratic inertia that lies behind the resignation of two leading directors

THE Austrian bureaucracy, that colossal weight capable of stifling all initiative, has worn out the patience of the country's two leading museum directors. Professor Hermann Filitz, director of the Kunsthistorische, and Mr Dieter Ronte, director of the Museum of Modern Art, resigned last month. What precipitated their actions was their objections to plans for a new museum of modern art.

"I am dependent on different administrations," said a weary Professor Filitz. "If I want to improve the plumbing, I cannot contract a builder. I have to plough through the ministries to seek permission. It was the same battle in trying to have an elevator and book shop installed."

because he is "foreign" (a West German), and because he openly speaks his mind, has frequently argued that because the visual arts involve the individual's perception of a painting, it carries no social knots.

which artists can work. But there are some who are deeply hostile to foreign influences. In a recent article published in Freie Argumente, the journal of the right-wing Freedom Party, a Mr Georg Hanreich suggested there was no need for Austrian museums to work. People could be asked to see them if they wished. Mr Hanreich is employed by the Ministry of Science.

they were not invited back by the post-war Austrian government. Besides the dearth of ideas contributing to the malaise of the Austrian museums in particular and intellectual life in general, unremitting political interference has frustrated innovation.

one of the primary functions for museums is to attract tourists. There are mixed feelings about Mr Erhard Busek, the new Minister for Science and Research, who admitted in an interview that "I am happy that both of them (Prof Filitz and Mr Ronte) are going, because now I can move things".

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Officials say the leadership is engaged in a holding action until the party congress next May. "By then they expect to know whether Mr Mikhail Gorbachev will survive. If not, the pressure on Mr Jakes to reform will be gone," he says.

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AMERICAN NEWS

Carter agrees to monitor elections in Nicaragua

By Lionel Barber in Washington

FORMER President Jimmy Carter said yesterday he has accepted an invitation from the Nicaraguan government to lead an international delegation to monitor elections there next February.

The announcement followed last Monday's agreement by five Central American presidents to disband the Nicaraguan Contra rebels, a sharp reversal to President George Bush who had hoped to keep the rebels intact as a fighting force in the run-up to the elections.

Mr Carter did not receive approval from the US government for his planned role, and his announcement yesterday puts even more pressure on the Administration to focus on free and fair elections in Nicaragua.

The Central American agreement to disband the Nicaraguan Contra rebels is a sharp reversal to President George Bush, and will be likely to force Washington to reassess its policy in the region.

Mr Bush had hoped that the five Central American presidents would refrain from demobilising the Contras until after next February's elections in Nicaragua. But President Ascarria of Honduras, whose country has served as a base for the Contras for the past eight years, failed to respond to US pressure and went along with Nicaragua's demands for demobilising some 12,000 rebels by December 8.

The Bush Administration is now expected to focus increasingly on securing guarantees of safety for rebels returning to Nicaragua and to ensure that next year's elections are free and fair.

In its search for new leverage, the Administration will seek support from its West European allies to halt or substantially reduce the amount of new loans and aid to Nicaragua. US officials said yesterday that it would be wrong to "pull out" Nicaragua before it is clear that the Sandinista regime is willing to move to democratic procedures. "Economic aid will be a big issue," forecast one official.

Officials added they were disappointed that the agreement between the five presidents of Nicaragua, Costa Rica, Honduras, Guatemala and El Salvador, reached on Monday, applied sanctions against the rightist Contras, but failed to establish measures to disband the leftist guerrilla forces operating in El Salvador.

Last week, in what proved to be a successful clear effort to influence the presidents' meeting in Tela, Honduras, the Sandinista government made several concessions to the internal Nicaraguan opposition, including the suspension of military conscription for six months before the elections and offering a general amnesty for political prisoners once the Contras disbanded.

The State Department welcomed the outcome of the dialogue, saying it was a "victory for all of the democracies, including the United States". On Monday morning, however, Mr James Baker, US Secretary of State, sensing the drift of the Tela meeting, reportedly called President Oscar Arias of Costa Rica and warned of a right-wing backlash in the US if the Contras were disbanded.

This seems unlikely in the short-term, at least, because Congress has just gone into recess. The Nicaraguan issue, which once polarised American politics under President Reagan, lost much of its contentiousness after last February's agreement between the Administration and Congress cutting off military aid to the rebels. Some \$60m of humanitarian aid was approved, some earmarked by Congress for repatriation purposes.

The Bush Administration remains concerned about the level of Soviet aid to the Sandinistas. Officials refuse to confirm reports that Moscow has suspended military aid which last year amounted to almost \$500m a year, along with an equivalent amount of economic aid. Mr Baker will raise the issue in next month's meeting with his Soviet counterpart, Mr Eduard Shevardnadze.

Editorial Comment: p14



Jaime Paz Zamora, Bolivia's new leftist president, on Monday demanded the loyalty of the armed forces in consolidating the country's fragile democracy and fighting cocaine trafficking. "We must integrate military force and political power," he said in a speech during a military parade. "As head of the armed forces, I demand your unconditional loyalty."

Argentine inflation hits record

By Gary Mead in Buenos Aires

ARGENTINA'S monthly inflation rate broke all previous records in July, reaching 196.8 per cent for retail and 208.2 per cent for wholesale prices, according to official figures released this week.

July's figures are the third successive month in which consumer prices have been in excess of the previous monthly record of 37 per cent, in March 1976. In May this year, retail inflation reached 78.5 per cent a month, followed by a further 114.5 per cent increase in June. Accumulated inflation for the past 12 months shows a 3,510 per cent increase in retail and 5,640 per cent increase in wholesale prices.

A fragile price and incomes agreement is now in place until the middle of September, which President Menem hopes will stem recent hyper-inflation and provide a breathing space for his government to introduce a set of cost-cutting measures designed to eradicate some of the basic causes of Argentine inflation, such as vast over-spending in the state sector.

Independent analysts suggest that August's inflation will run at between 25 and 40 per cent, despite the price freeze. That threatens to bring with it a resurgence of pressures from trades unions and industry to break the current accord. Public opinion has so far not turned against President Menem's handling of the economy; observers calculate that the current honeymoon period may persist until October.

For the first half as a whole, Brazilian output has dropped 2.1 per cent against the same period last year. President José Sarney is expected to announce a new package of measures later this week, aimed at cutting the public sector deficit and retaining inflation, expected to exceed 30 per cent in August.

For the first half as a whole, Sao Paulo Federation of Commerce has reported a fall of 5.6 per cent in retail sales volumes for July against the previous month. The improvement in output has helped to reverse a sharp 7.1 per cent downturn in the first quarter when a price freeze imposed in January provoked companies to cut stocks.

Brazilians make a killing on the phone exchange

It may be almost useless, but if you sell your line it could earn you a fortune, writes Ivo Dawnay

BRAZIL'S telephone network - only five years ago one of the more efficient in the world - is rapidly becoming about as user-friendly as a broken Rubik's Cube.

Engaged tones often begin before the fourth digit is dialled, correctly-dialled calls ring wrong numbers, connected calls spontaneously collapse and crossed lines are as commonplace as cross subscribers.

Successfully ringing between the country's two largest urban centres - São Paulo and Rio de Janeiro - can often take as many as five attempts. And it is hardly surprising that the convention for callers who succeed in "getting through" is first to ask with whom they are connected - understandably fearing the worst.

That, measured in secretaries' tears and executive stress, is the downside of Brazilian telecommunications. The upside is that those lucky enough to own a line have watched their asset over the last 12 months outperform every other available investment from the black dollar to gold.

While inflation has risen a record 964 per cent, gold 971 per cent and the dollar 1,227 per cent, the value of this humdrum and frequently useless apparatus has gone up an astonishing 2,600 per cent in just a year.

A business telephone line in the most phone-starved São Paulo district of Alphaville now costs 60,000 New Cruzados, about \$30,000 at official exchange rates or the equivalent of three and a half brand new Brazil-built Ford Escorts.

Elsewhere in the city prices for residential lines fluctuate between NCz10,000 and NCz20,000, up from NCz2,200 as recently as last December. Rental rates are currently between NCz300 and NCz500 a month.

Companies in liquidation have found that the value of their lines can redeem their liabilities while otherwise amicable divorces have turned to litigation over who is to keep the phone.

So Telebras, the state-owned utility, must surely be getting rich? Not a bit of it. The shortage of lines - a consequence of dirt-cheap tariffs and a disastrous cut in investment in the early part of the decade - has created a vast private sector market of phenomenal growth potential.

Today, according to Mr Mario de Almeida, who trades some 300 lines a month, São Paulo alone has up to 1,500 dealing companies. In the country as a whole an estimated 20,000 people are

| BRAZIL'S 'PHONES | | |
|------------------|---------------------|--------------|
| | Calls not connected | No. of Lines |
| 1984 | 8.8% | 6.7m |
| 1985 | 8.2% | 7m |
| 1986 | 16.2% | 7.2m |
| 1987 | 24.8% | 7.2m |
| 1988 | 26.8% | 8.2m |

involved in a business theoretically the exclusive preserve of the state.

Technically, the trade should be illegal. But dealers have successfully mounted defences asserting citizens' constitutional rights to trade their property as they please. Spotting the explosion in prices, many new speculators have quit their jobs, liquidated their non-essential assets and gone into the business.

This has annoyed old-established companies such as Mr de Almeida's grandly named Camara de Valores de Telefones which tend to complain of a growing lack of professionalism among new dealers.

"There is a certain amount of speculation," he admits, defensively, "but most of us are merely providing the public with a necessary service."

Mr de Almeida, who charges 8 per cent for each transaction, believes the surge in prices is already tailing off and that they will only keep pace with inflation for the rest of the year.

But in the medium term, São Paulo will need to double the 5m lines currently installed if it is to meet current rates of demand.

"If the Government does not invest heavily now, it's going to be complete chaos," he says. "A telephone will be something only the very elite will own."

Inundated with complaints and legal actions, Telebras has resumed its investment programme which was almost halved by government order during the recession of 1983-84.

But even so, the utility believes that this year's \$2.3bn budget will be able to raise capacity by only 780,000 lines taking the total to 9m lines to meet a demand estimated at perhaps a third as much again.

Long lead times needed to install new equipment mean that every New Cruzado spent now takes up to 40 months to filter through to customer services.

Mr Gustavo Silva of the company's harassed public relations department points out that the problem is not telephone lines but exchanges. It is made worse by one of the lowest tariff rates in the world.

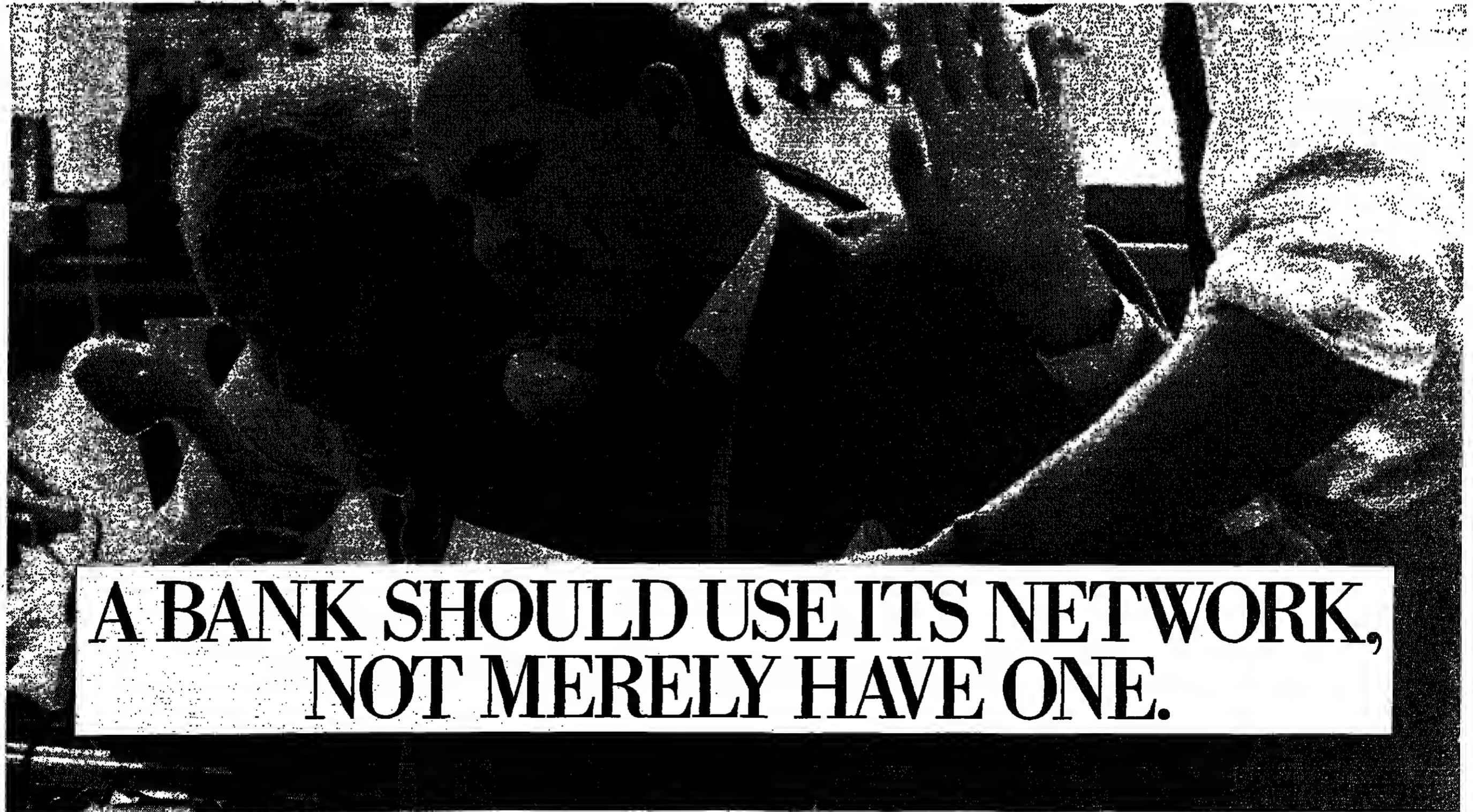
In the last 15 years, successive governments have allowed charges to fall 363 per cent behind inflation. As a consequence, a three-minute local call in Brazil costs the equivalent of 0.5 US cents compared with 24 cents in the US and 50 cents in Britain.

So far this year the Government has allowed rises in charges of some 153 per cent while inflation has gone up 255 per cent - a policy that can only be explained by Brasilia's need to be seen to be complying with its own price freeze.

"If investment continues as it has done since 1985, if tariffs follow inflation and if taxes are returned to the system, then we will eventually have a better network than the US," Mr Silva explains.

"But without those three big 'ifs' we will continue as we are."

Or, to borrow a familiar British Telecom catchphrase, would-be subscribers unable to fork out a sum equivalent to 160 times the national minimum salary for a line had better "please try later".



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UK NEWS

Securities Board proposes plan to simplify rules

By Richard Waters

THE SECURITIES and Investments Board yesterday unveiled plans to simplify the much-criticised system for regulating the financial services industry in the UK.

Rail union plans London Tube strike despite talks

THE BOARD of mediation set up to resolve the long-running London Underground railway dispute is expected to report today, but it may not avert tomorrow's planned strike, writes Charles Leadbeater.

Fall in house sales forces job cuts at brickmaker

By Andrew Taylor

LONDON BRICK, Britain's biggest brickmaker, plans to make 600 of its 4,000 workers redundant. The company blamed a sharp fall in British house sales for the cut.

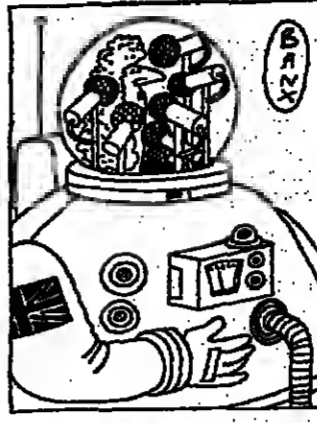
A total of 276 jobs are planned to go at the company's headquarters in Stewarby, Bedfordshire; 246 jobs at Calvert, Buckinghamshire; and 63 at Felton in Cambridgeshire.

Media give astronaut hopefuls star treatment

By Richard Donkin

MS JUANITA LOFHOUSE, giving her ninth interview of the day while 15 of the 150 candidates shortlisted to become Britain's first astronaut began to realise what they had let themselves in for, declared: "I'm not a space trouper."

The 29-year-old biophysics PhD student from Bournemouth, whose eye-catching looks had attracted particularly close scrutiny from the tabloid press, said: "I'm a scientist, not a bimbo."



Antequera, a specially-formed British company acting with Glavcosmos, the Soviet space administration, has selected some of the candidates on the shortlist were Britons aged

between 21 and 40, had science degrees and a foreign language - the four basic requirements used to whittle down the initial 15,000 who phone inquiries from the first advertisement in June.

While some candidates confessed to childhood dreams of being an astronaut, Mr Philip Martin, a 35-year-old research student at the Cranfield Institute of Technology took the more pragmatic view.

Government will spend £4m on ads to stem shortage of nurses

By Charles Leadbeater, Labour Editor

THE Government yesterday launched a £4m advertising campaign in a bid to stem mounting shortages of recruits into nursing.

The advertising campaign will be aimed at men and women in the 17-35 age range. The department then plans to run advertisements in the youth press to attract 13- and 14-year-olds to the idea of entering the nursing profession.

service could face a 30 per cent fall in qualified staff and a 13 per cent decline in overall staff numbers.

Unilever unions call for European forum

By Our Labour Editor

THE European Commission is helping trade unions at Unilever, the Anglo-Dutch consumer goods group, to press the company to set up a consultation system which would embrace unions in every EC country.

Unions in countries where Unilever operates have written to the company calling upon it to set up a European works council.

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PRINTING TECHNOLOGY The Financial Times proposes to publish a Survey on the above on 25 SEPTEMBER 1989

FT LAW REPORTS Arbitrator can deal with rectification issue. Text discussing legal cases and arbitration procedures.

Notice to the holders of the issue 8 1/2% 1977-1997 of US\$ 100,000,000 made by the EUROPEAN COAL AND STEEL COMMUNITY

Labour 'soft left' endorses revised nuclear strategy

By Michael Cassell, Political Correspondent

LABOUR'S "soft left" has voted decisively in favour of the party's decision to abandon unilateral nuclear disarmament in favour of negotiating away Britain's nuclear arsenal.

The Labour Co-ordinating Committee, the party's largest pressure group which includes 40 MPs among its members, has voted nearly three-to-one in support of the new defence strategy, which is expected to be endorsed at the party's autumn annual conference.

But the committee says it supports the policy change as a way of ridding Britain of nuclear weapons within the lifetime of a Labour government, a target which Mr Neil Kinnock, the Labour leader, has refused to accept.

In spite of such grass-roots support, the new defence strategy will still provoke one of the most passionate debates during the Brighton gathering. The TGWU transport union, Labour's largest affiliate, will vote against the new strategy and a large number of resolutions against the new line have been tabled.

Several resolutions reaffirm the party's commitment to unilateral action. There are calls for the immediate cancellation of the Trident submarine missile system as well as demands for a deadline to be set on the

Parkinson rules out big changes in roads policy

By Richard Donkin

MR GECIL Parkinson, Transport Secretary, yesterday ruled out any revolutionary cure for Britain's chronic traffic problems and said short-term improvements could be made in the system.

He did, however, commit himself to implementing the £12bn road development programme - more than double the present spending - proposed by his predecessor, Mr Paul Channon.

Visiting the Transport and Road Research Laboratory near Bracknell, Berks, as part of a four-day fact-finding tour, Mr Parkinson said he would give safety the highest priority.

"What I have seen today is that you can manage with the existing road system. A lot of work is going into that," he said.

Mr Parkinson saw demonstrations of an experimental "intelligent" traffic light system which scientists claim could save £150m a year by cutting traffic congestion.

The computerised system on trial at 20 sites throughout the UK until the autumn could be installed at 8,000 junctions if it receives Government approval.

Mr Parkinson said he would pursue the recommendations of his predecessor in the transport white paper. "There is a commitment on the part of the Government to substantially increase the programme," he said. "Nothing I have seen in the past few days makes me think it is any less pressing for me than for him."

The Transport Secretary was given a demonstration of a motorcycle collision designed to illustrate the problem of leg injuries suffered by 25,000 riders a year at an annual cost to the country of £150m.

The laboratory has designed safety features for cars and motorcycles which it is lobbying to have adopted across Europe.

Mr Parkinson is planning further visits this week to the A16 Traffic Control Centre, the Channel tunnel and the Dover Ferry terminal.

Irish detour keeps Japan's trucks rolling in

Kevin Done on imports that could strain a long-standing 'gentlemen's agreement'

HINO, the leading Japanese truck maker, is making increasing inroads into the UK heavy truck market with vehicles exported from an assembly plant in Ireland.

Hino sales in the UK are rising sharply in spite of a long-standing so-called "gentlemen's agreement" between the Japanese and UK motor industries, under which European heavy truck makers selling in the UK believed that they were largely protected from Japanese competition.

Since the late 1970s Japanese vehicle makers have agreed not to seek to penetrate the UK heavy truck market with direct exports from Japan. However, the agreement between the Japan Automobile Manufacturers Association and the UK Society of Motor Manufacturers and Traders does not cover Japanese vehicles assembled in Europe.

Earlier attempts at the beginning of the 1980s to bring Hino trucks into the UK from Ireland petered out with only tiny volumes being sold, but Hino's Irish importer and distributor has begun a serious effort to penetrate the UK market in the last 12 months.

The trucks are assembled by J. Harris Assemblers, a privately-owned company in Dublin. It holds the Hino franchise for the Republic of Ireland and the UK.

It has established a British subsidiary, Harris (UK), in Richmond, North Yorkshire, which has set up a 23-strong dealer network and has applied for membership of the SMMT. That is expected to be granted in September.

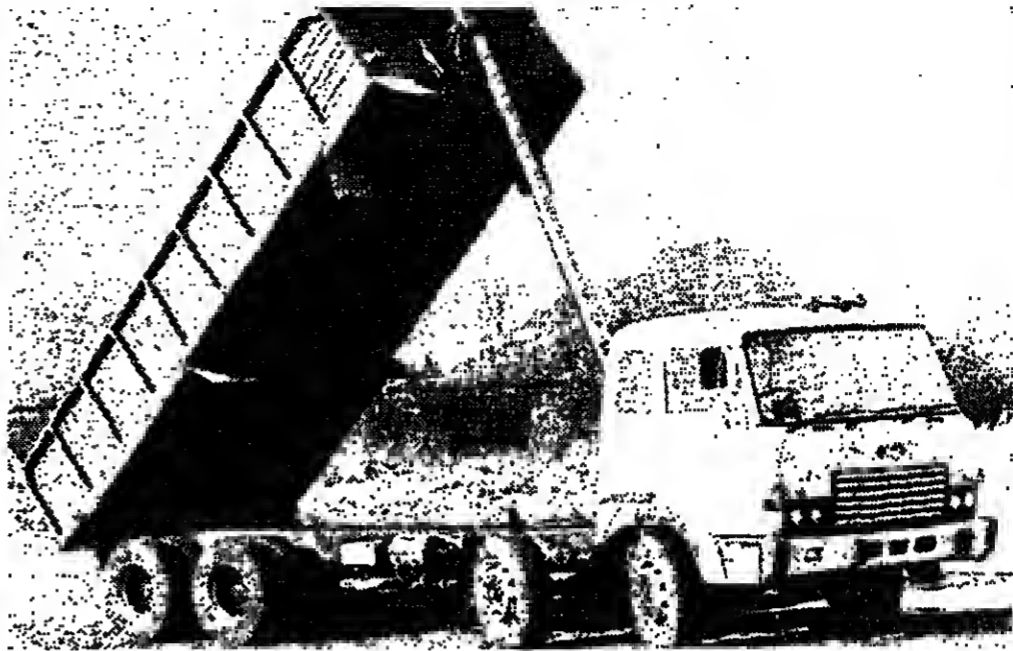
Harris has been able to exploit the long delivery delays experienced by some traditional truck sellers in the UK, which have been unable to keep up with booming demand.

The official vehicle registration statistics are still in the process of catching up with Hino's arrival in the UK, but the SMMT estimates that Hino's registrations totalled more than 300 last year.

That performance has already been beaten in the first six months this year with an estimated 317 trucks registered by the end of June, of which 133 were in June alone.

Harris (UK) has targeted Hino trucks almost solely at the specialist end of the market for rigid four-axle and three-axle tipper trucks, for which the main demand comes from the construction industry. The growth of construction work has made this one of the fastest growing segments of the truck market, with new registrations rising by 33 per cent in the first six months to 2,581.

Hino took an 8.3 per cent



Tipped for success... Hino trucks like this are making significant market inroads

share of this segment in the first half of the year with 214 four-axle tippers registered. That figure is probably understated because SMMT statistics for Hino are incomplete.

This left the Japanese trucks behind the segment leaders Volvo, Foden, Daf (Leyland DAF) and ERF, but it took Hino ahead of big European truck makers such as Iveco, Scania, MAN and Seddon Atkinson (Enasa).

In June alone Hino led sales in this segment with a share of 23.3 per cent.

Mr Brendan Fitzgerald, sales and marketing director of Harris (UK), refused to comment to the Financial Times on Hino's rapid UK growth, but in a recent trade press interview he said the company was planning to add 24-tonne and 17-tonne trucks and eventually was aiming to offer a complete

hiro Iwasaki, a Hino official, would give no indication of the company's planned shipments of truck kits from Japan for assembly in Europe this year.

Earlier this year Mr Giorgio Garuzzo, chief executive of Iveco of Italy (western Europe's second largest truck maker which also has management control of Iveco Ford Truck, the UK market leader), called for temporary protection for the European commercial vehicles industry from the threat of Japanese imports.

He insisted that it was necessary to "protect the ongoing restructuring process of European industry."

"Protection of this kind that does not include the obligation of a European content of at least 80 per cent and of European control over basic technologies, particularly engine technologies, would be pure hypocrisy," he said, adding that there was "a risk of destabilising European industry."

Although there is some unease among UK truck makers about the increasing Hino presence, the UK motor industry is in a difficult position to object.

It is now fully supporting government policy to make the UK the main base for the assembly of Japanese cars for export to other European countries. That might make it more difficult to protest about Japanese trucks entering the UK from Ireland.

It could seek to object on grounds of local content, however, Japanese car makers who are developing assembly plants in the UK have committed themselves voluntarily to reaching an 80 per cent local content level, whereas the J. Harris Assemblers operation in Dublin is believed to be largely assembling kits imported from Japan to a so-called screw-driver operation, with a much lower EC local content.

Ex-UTC man for trial on insider dealing charges

By Raymond Hughes, Law Courts Correspondent

MR MALCOLM Gooding, a former employee of UTC, the financial services group, has been sent for trial at the Central Criminal Court on eight charges of insider dealing.

The charges relate to alleged dealing in the shares of Hawtill Whiting Holdings, a design and engineering services company, in September 1987, just before Hawtill announced receiving a £7m takeover bid from First Security Group.

Mr Gooding, charged under

the 1985 Company Securities (Insider Dealing) Act, is alleged knowingly to have obtained price-sensitive information from a Hawtill director.

Guidhall justices yesterday committed Mr Gooding for trial and continued his unconditional bail. Reporting restrictions were not lifted.

The Department of Trade and Industry, which handles insider dealing prosecutions, has seven other such cases before the courts.

Move to survey pensions market

By Eric Short, Pensions Correspondent

LONDON and Manchester Group, the Exeter-based life assurance and financial services group, is making a survey of the expanding UK pensions market.

Mr Laurence Smith, pensions marketing manager of London and Manchester (Pensions) has asked 53 life companies to take part in this first survey of what is a large marketing sector for the companies.

The success of the new-style personal pensions, has highlighted the growing importance of the sector and the need for adequate and up-to-date statistics.

Mr Smith has found that the sources of information from the returns made by life companies to the Department

of Trade and Industry and to the Association of British Insurers are not readily accessible for market research.

He says that such information is awkward to interpret and could be misleading.

There is no standard format for providing pension marketing details.

London and Manchester has designed a variety of forms seeking information on all types of pension business transacted by life companies, such as personal pensions, additional voluntary contributions and company pension schemes.

The information sought, on business done in 1988, includes type and source of business and size of existing portfolios.

Mr Smith feels that life companies have more to gain by having a complete picture of the market and they would lose by providing details of their situation to competitors.

Initial reactions to the survey have been mixed with about a third of companies contacted being willing to participate. Although only a few companies have refused, they include household names whose participation is essential to the success of the survey.

Mr Smith hopes to persuade companies that it is in their long-term interests to participate in the survey and is optimistic of its eventual success.

Thatcher will visit Japan in September

By Michael Cassell, Political Correspondent

MRS THATCHER is to make an official four-day visit to Japan on September 19, it was announced from No 10, Downing Street yesterday.

The visit will be Mrs Thatcher's first to Japan since 1986 and is scheduled to include a meeting with the Japanese Prime Minister.

Mr Toshiki Kaifu, the ruling Liberal Democratic Party's third leader in two months, is due to be elected Prime Minister today.

Mrs Thatcher will attend a meeting of the International Democratic Union, an international conservative forum.

Her talks are certain to centre on Japan's increasing investment in Britain and within the European Community, as well as on attempts to raise the reverse flow of investment.

A recent House of Lords select committee report warned that Britain and the EC had large trade deficits with Japan and that the imbalances were set to continue.

It said that, unless the highest priority was given to narrowing the gap, Japan could develop an economic dominance in business, finance and technology "which could prove unstoppable."

Mrs Thatcher may also want to reflect the complaints of some companies that although the entry of Japanese businesses into Europe has been welcomed, penetration of Japanese markets has not always been made easy by domestic restrictions.

Sir Cyril sounds warning on future of Democrats

By Michael Cassell, Political Correspondent

SIR CYRIL SMITH, Democrat MP for Rochdale, yesterday accused his colleagues of jeopardising the future of the party by failing to work hard enough to win support.

Sir Cyril, for years a favourite with the party faithful, included himself in the criticism.

In a rallying call to the party, he said he and party members had "sat on our backsides and assumed that the politics of reform was established, strong and safe."

The party is suffering from falling membership, a projected shortfall of 540,000 this year, and a low standing in the polls.

Sir Cyril said he was not prepared to see the vital role which the Democrats played in the nation's politics diminished.

He proposed holding nation-

wide rallies to generate support. He suggested 30 meetings, attended by longer-serving party members, such as Mr David Steel, the former leader of the Liberal Party; Sir Russell Johnston, the Democrats' deputy leader; Mr Alan Beth, the party's treasury spokesman; and himself.

"The rallies could be used to appeal for money and for people to come to the cause of liberty and freedom," Sir Cyril said.

Sir Cyril said that British industrialists had to understand that, if the role of the Democrats was diminished, then it would be more likely that Labour would take power at the next general election.

The Democrats announced last week that the party has been forced to sack staff and to dismiss its network of area agents in order to cut costs.

Belfast airport expansion

By Our Belfast Correspondent

SHORT BROTHERS yesterday confirmed plans for a multi-million pound development of Belfast City Airport, which has been a great success since it opened six years ago.

The company plans a £7m investment which will provide a new passenger terminal, as well as aircraft-handling and car-parking facilities. There are also plans to improve navigation equipment.

The project is being supported by Bombardier, the Canadian group which is to take over Shorts next month after privatisation.

Shorts is seeking financial assistance from the European Commission for the project.

The airport opened in 1983 and handled more than 65,000 passengers in its first year, but traffic is expected to exceed 400,000 this year.

Situated only five minutes drive from the centre of Belfast, it is particularly popular with business travellers anxious to cut down on travelling time to appointments.

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MANAGEMENT

The world's chemicals industry, which a few years ago was in steep decline, has made a startling recovery - and nowhere has the climb back from recession been more remarkable than in the case of Imperial Chemical Industries.

World chemicals

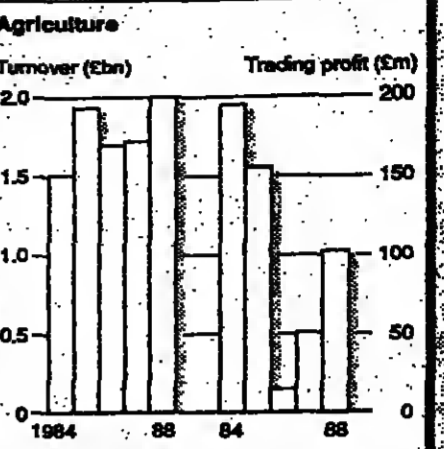
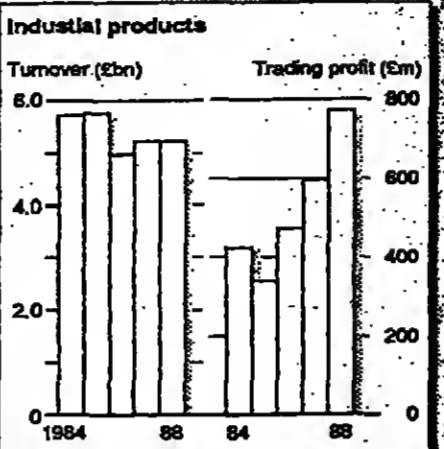
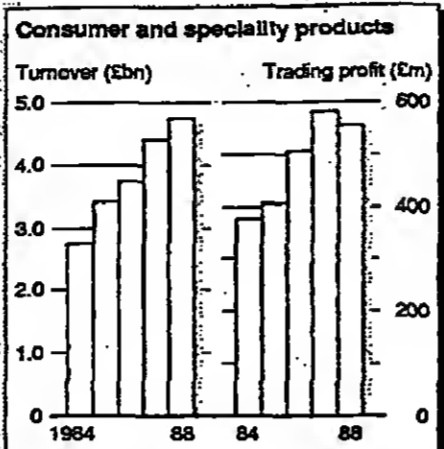
Why ICI believes people need space

In reshaping itself to counter a recession in the early 1980s, Britain's biggest manufacturer has emerged with an unusually flexible style and 'fuzzy' organisation that it claims encourages the implementation of ideas. Peter Marsh reports

On top of that the company has built on the high-value chemicals areas in which it was already involved at the end of the 1970s, such as pharmaceuticals, crop-protection compounds and paints.



Sir Denys Henderson Chairman of ICI



It is not just a chemicals group any more," says Roger Shamel, president of Consulting Resources, a Massachusetts consultancy. "It's shaping up to be one of the mega-companies of the 1990s."

ICI, since its formation in 1926 as a result of a merger between four UK chemicals groups, has always had more of an overseas orientation than many other British manufacturing groups. It was "imperial in name, and imperial in aspect," according to one of the company's early planning documents.

In parallel with the switch into the specialist areas of chemicals, which now account for about half the company's sales and profits compared with 30 per cent in 1980, has been expansion into global markets.

The concentration on the old empire countries was countered by a drive by the company into continental Europe and the US in the 1960s and 1970s. But even in 1980 Britain accounted for 42 per cent of the company's sales; last year that figure was cut to about a quarter with revenues from the rest of Europe and North America having climbed steeply in the interim.

While at the turn of the decade nearly three-fifths of ICI's employees worked in Britain, the proportion today is just over 40 per cent. The total numbers have declined slightly from 143,000 to 130,000. Large job cuts from the heavy chemicals side of ICI's business have to some degree been made up by extra people coming on to the payroll in the newer, specialist areas, partly through acquisitions.

The spread of ICI's operations, both in product areas and geography, involves obvious management problems. "All that diversity gives you incredible strength," says Shamel. "But you've also got to be very good at managing it all."

Stuart Wamsley, an independent chemical industry researcher who was formerly an analyst at Morgan Stanley, the US bank, has mixed feelings about ICI's recent history. He says it has made commendable progress in moving away from the commodity side of chemicals, something which should help the company in the widely expected downturn for many kinds of bulk industrial materials over the next year or so.

But he is less than happy about the company's speciality ventures, some of which - in particular paints and advanced materials - he believes are performing less than well. "ICI's speciality operations are a mish-mash," says Wamsley. "It needs to sort out which bits it's going to stick with and which to chuck overboard."

Central to those worries are issues which affect many multinationals. They boil down to creating a flexible management style that will bring about a good balance between the various parts of a company's operations. There has to be some element of control from the centre plus a lot of freedom given to managers with responsibilities for geographical areas and product types.

There also has to be a lot of mixing of people and ideas

between different parts of the company's operations so that managers can learn from each other. That applies especially to research and development (R&D) activities, a field in which the company is spending more than \$600m this year. Research is increasingly important for ICI given its big thrust in recent years into many specialist, science-based products.

Many big chemicals companies choose to concentrate one element in the overall management structure; BASF and Hoechst have a high degree of centralised control while Exxon Chemical of the US splits up its international operations firmly along the lines of product groups. ICI, meanwhile, has an extremely fuzzy organisation.

Not only is no single part of its management functions - neither head office nor the regional or product groups - given overall charge, the relations between these three elements in the organisation are left deliberately vague.

Sir Denys Henderson, ICI chairman for the past two-and-a-half years, says the lack of sharpness is necessary and intentional. "The structure lacks clarity," says Sir Denys. "But then we're in a complex industry. We hope that most arguments can be sorted out by discussion."

He says the lack of rigidity in the management structure

makes the company quicker to react to new technical and marketing opportunities. "In the 1970s we were good at planning. Now we're better at implementation."

Sir John Harvey-Jones, ICI chairman between 1982 and 1987, puts the issue more bluntly. "The lack of elaborate overlays (in ICI's management structure) gives people the maximum amount of space to achieve things. If there are arguments between managers in different divisions you make it abundantly clear it's up to them to sort it out. If they do you give them a pat on the back; if they don't you shoot them."

An important part of ICI's structure, and one which emphasises its commitment to act as a global company, are its 10 business groups. Most of the important manufacturing bases for these divisions are in Britain, which also acts as the headquarters for six of them, including pharmaceuticals, heavy chemicals (which cover most of the commodity products), crop-protection compounds, paints and films.

As a deliberate policy move, in the early 1980s ICI put four of the group's head offices - covering polyurethanes, explosives, advanced materials and speciality industrial chemicals - away from the UK. These businesses are controlled from Belgium, Canada or the US.

The product groups have to liaise both with head office and also with regional managers. Rather than call the people in charge of these groups chief executives, which would have conveyed too much of an impression of their being solely in charge, ICI came up with the name "principal executive officer". This impressed upon them, says Sir Denys, that they would have to share at least some elements of power with head office and with the company's regional bureaux.

Another important aspect of ICI's policy of investigating management flexibility is linked to its highly comprehensive and detailed career planning policies. These apply not just to the top layers of the company but extend deep down into management grades.

The group's head-office personnel section, in conjunction with top managers from the 10 product groups and the most important regional divisions, holds regular meetings to discuss "succession planning" - who will step into whose shoes in the top 170 or so jobs in the company ranked in terms of factors such as responsibility for sales and supervisory functions.

Other discussions on a similar basis, although not necessarily to the same amount of detail, take place for the next band of managers within the

company - which accounts for a total of 24,000 people. This exercise of continually running the rule over the top people in the company and those aspiring to those positions from lower down the order has, according to on-lookers, given ICI a series of good managers. These people are in a better position to know continuously what is expected of them as they move through the hierarchy of the company and are flexible enough to adjust to change.

David Zencoff, a freelance US consultant who has made a study of multinational management styles, says ICI has "handed pretty well" the career-development aspect of its activity. "Career planning of this kind is an essential part of how a well managed multinational should organise itself," says Zencoff. "It's a way companies can leverage their future by determining in some detail how their good people are going to progress."

Part of ICI's management planning has been the effort to move employees around between countries and product groups and to get more non-UK people into the top positions within the company. Of the top 170 executives 70 are from outside the UK and the plan is for their numbers to increase as ICI's global operations expand. "It is part of the process of opening the company up to dif-

ferent ideas and outside perceptions," says Zencoff. He, ICI director with responsibility for North and Central America.

A final way of promoting fresh ideas and flexibility in the company has been via the R&D structure, a part of the company which spans all the business groups and accounts for some 11,000 people. After a flirtation in the 1970s with centralised R&D operations, the company has spun most of those off into business divisions to get a better link between scientific and marketing staff. A key theme, investigated in the early 1980s under Sir Charles Beece, ICI's former research director who retired in February and followed on by Peter Doyle, his successor, has been the establishment of an elaborate network of internal scientific committees.

These groups, which meet on a regular formal basis but which have a relatively unstructured remit, bring together scientists from all around the group who have a common interest in a variety of topics - from factory engineering to the structure of proteins. "It's a way of ensuring that scientific ideas can flow across business boundaries," says Doyle.

What of ICI's future? The company's profits are likely to be hit by the forecast downturn in the commodity-chemicals business worldwide - which many analysts think will hit home towards the end of the year.

ICI may also find it has to do more work than it thought in beefing up even its most prized speciality divisions. The group's big divisions in pharmaceuticals and agrochemicals, for instance, face likely problems as a result of strong worldwide competition in both these areas and a likely slowdown in the rate at which ICI can bring new products onto the market caused by increasing regulatory pressures from government licensing bodies. The company, too, will probably face tougher environmental regulations as the developed world continues to take a harsher line on chemicals pollution.

Zencoff, the management consultant, believes however that ICI has the flexibility and the commitment to pull through. "ICI has done a hell of a job over the past few years. Managers wear the experience of the early 1980s on their foreheads every day and they've determined not to let the company slide back."

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ARTS

TELEVISION

Hunt for promised summer class

It has long been my feeling that, for a generation of print junkies - raised and educated from Little Grey Rabbit to Wittgenstein on a diet of books, books and more books - to snipe perpetually at television is counterproductive.



Stephen Fry and Robin Bathurst in "Anything More Would Be Greedy"

expression and some tough words on the malignancy of organised religion. Sure enough, from time to time, we got them. We saw the hysterical supporters of Khomeni beating the blood out of their own heads and, wickedly, teaching little children to do the same; and we saw ranting priests from other religions - Protestant, Jewish, and Catholic as well as Muslim - spreading the evil old dogmas and spewing out hate.

On Wednesday we expected one of the big treats of the week and perhaps the season: the opening episode of 'Anything More Would Be Greedy' (AMWBG), the first drama series to be written expressly for television by Malcolm Bradbury. Expectations were aroused by Bradbury's adaptation of Tom Shapere's 'Forterhouse Blue' which was sometimes awful, sometimes mediocre but sometimes hilarious, and most of all by Bradbury's own story 'The History Man', one of the highlights of the 1981 autumn television season.

nature programmes are usually highly satisfying and Thursday brought the first in a new series of 'Wildlife Showcase' on BBC2. We were promised that 'Return Of The Boulders' was an award winning film showing the reintroduction of the griffon vulture to the Massif Centrale in France.

Similarly, while there was doubtless no deep-laid plot to run the French wildlife film or the imported documentary about New York's utilities at a time when the A/B audience would be sitting beside the swimming pool of its converted Umbrian farmhouse, the fact remains that it is only when they are back again that BBC will start to screen its new Attenborough wildlife series (assuming it has one) or C4 to show its home-produced documentary series (assuming it has one).

excellent footage. There is no clear reason why interior hand-held photography should be as bad as it is here, nor any obvious reason why the sound recording, editing and direction should have been equally poor.

Then at the weekend Channel 4's 'Equinox' brought us an imported documentary which undertook to 'get beneath the skin of the Big Apple' and show us how New Yorkers are supplied with power and water and relieved of their sewage and rubbish.



Marat/Sade

PLAYHOUSE THEATRE

To remind you of the full title: 'The persecution and assassination of Marat as performed by the inmates of the asylum of Charenton under the direction of the Marquis de Sade. Peter Weiss's international avant-garde hit has not been seen in London since the mesmerising, visceral production of Peter Brook for the Royal Shakespeare Company in 1964.

nently, in the bicentennial year of the French Revolution, it re-animates a very good play. The NYT is pitching itself against one of my 'Desert Island Discs' productions. But they articulate the intellectual ruminations between Marat and De Sade very clearly, even if the hierarchical layers of authority and curious mob-driven osmosis of the Charenton inmates cannot rival (obviously) Brook's obsessive drive.

wonderfully combines provincial resentment at the Revolution's failure to deliver the goods with a sense of a melancholic harpy arising from a hazy hinterland. The haunted, puritanical bath-bound Marat of Daniel Craig grows in stature through the evening, just to the point where his discreditation by the ghosts of his family and a caricatured Voltaire carry maximum impact. While Marat is debunked, so De Sade (Dickon Tyrrell) is demoralised by an orgasmic response to his sexual revolution premonitions.

The intention this week was to return to normal and celebrate the improvement in programme standards this summer. The broadcasters had said they would be trying harder this year, spending more money, depending less on repeats, and offering, for example, some new drama series of the sort they usually save for the autumn. But, try as I might, I was filled at every turn and ended up deeply suspicious of all those claims.

National Youth Orchestra

ALBERT HALL

Sunday night's Promenade concert was given by the National Youth Orchestra, while Sunday afternoon's - for there was one - had been suitably prelude in showing off the National Youth Brass Band in a short, lively recital conducted by Sir Charles Groves.

Daughter, The Bard and The Oedipus - and a realization - albeit in the concert hall - of this crucial segment of Der Ring which was completely satisfying. The hall was as full as possible - six harps and eight trumpets, for instance, on the right hand side; a dozen basses on the left; and sextuple woodwind in the middle. Audience expectation was certain to be met, if only in sonorous terms.

her slight slidings of pitch were as nothing beside the ringing eloquence, the brazen fulsomeness of tone, and the sheer soaring virtuosity of her vocal achievement. Jane Eaglen as Sieglinde was her worthy counterpart: she rose to glory in the 'Wunderli'. If Simon Estes as Wotan for much of the time sounded shapely rather than incisive of voice, he nevertheless slipped in the decisive intonations, and gained tremendously in power and intensity for his tragic monologue which brings the opera to an overwhelming close.

Semenyaka and Fadeychev

COLISEUM

If audiences go to the Bolshoi in order to be intoxicated by the company's huge commitment to dancing - and there is no ensemble better able to communicate joy in movement - they can also find performances noble and pure in style, aristocratically refined in manner. The Bolshoi's repertory often calls for monumental effects, massive ensembles, but it does not dilute the subtleties of academic distinction: the hordes of Spartacus's followers are the classically distinguished courtiers of Swan Lake. And there is surely today no more elegant partnership in Swan Lake than Lyudmila Semenyaka and Alexey Fadeychev, who danced on Khamovniki.

its colour from her exploration of the choreography; the two acts of Giselle shown as crescendos of action and feeling; her Raymond (happily preserved on video) and Aurora are displays of the most felicitous academic authority. As Odette on Monday we saw the role justified because every excess had been pared away. The Swan Queen's mystery was exposed in movement of elegant force; she seemed an unattainable ideal for Siegfried, isolated in her own tragedy, but infinitely compelling. Lovely the way Semenyaka phrased movement in lines of poetry; extraordinary how a single floating arabesque told of her bird-like nature. It was a reading unique in combining lyricism and gravity.

with Siegfried's feelings. The Odette whom he seeks at the last, was drained of everything except despair: Semenyaka here seemed entirely isolated until the resolution of the drama which, in this version, is more Siegfried's story than Odette's. It was, in sum, a beautifully conceived and executed account of the role, matched by Fadeychev's unassuming nobility and technical grace. It is a sidelight on the mysteries of heredity that he should so resemble his father, Nikolay Fadeychev, that ideal Prince of earlier Bolshoi seasons. The same softness and elasticity mark their movement; I would almost hazard the same proportions and musculature. And if I admire Alexey Fadeychev's commanding and easy technique, I admire no less the fluidity and power of his gesture: a single pose can draw the character for us.

performances. There have been some parochial meetings about this visit, but dance and repertory have brought glorious things. Accommodating their traditional largeness of scale in production and style has not always been easy, for the company, but the seriousness of interpretations and the value of the stagings has never been in doubt. Yury Grigorovich's Bolshoi is a tremendous ensemble. Because it is never possible to divorce a so understanding of Soviet art from Soviet politics, it is worth noting that during what Russian commentators have called 'years of stagnation,' as during the present period of perestroika, Grigorovich has, throughout the 25 years of his directorate, given an enormous troupe a new sense of purpose and sustained its undiminished excellence.

COMPANY NOTICES. BANCO BILBAO VIZCAYA. SHARE CAPITAL INCREASE. The Board of Directors of BANCO BILBAO, Vizcaya S.A., meeting on 27 July 1989, has resolved to effect an increase in the Bank's share capital from 91 billion to 121.3 billion pesetas.

ARTS GUIDE. August 3-10. THEATRE. London. The Merchant of Venice (Phoenix). Dustin Hoffman's Shylock a sympathetic, semaphoric gesturing as in Peter Hall's 'The Merchant of Venice' production. Geraldine James a superb Portia (828 2294). London International Festival of Theatre, LIFT, the fifth annual festival takes place all over London during July. Recommended highlights are the Abbey Theatre of Dublin in Tom Murphy's 'A Whistle in the Dark' at the Royal Court (730 1745) all month and the Comedie de Genève in Strindberg's 'Miss Julie' at the Lyric Hammer (741 3311) in the last week only. More details on 940 9428.

Paul Mellon to sell part of his private collection. Mr Paul Mellon announced yesterday his decision to sell 33 Impressionist, Modern and British works of art from his private collection at Christie's in London and New York during November. A further 18 paintings, among the 1,200 works of art donated by Mr Mellon to the Yale Center for British Art, are also to be offered for sale. Christie's anticipate the works to realise over \$100m.

Piggy Bank moves to Greenwich. The Piggy Bank, adapted from Lancelotti by C.P. Taylor, opened in June at Derby and has now moved to Greenwich. It is a characteristic French vaudeville, recounting the adventures of a party of simple country people who go to Paris to spend the money from their whist table. Naturally they all blunder into a variety of comic misfortunes and end up broke but penniless - apart from wayward young Felix, who has reaped a small fortune from an amorous lady. Susan Todd is the director. B.A. Young

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INTERNATIONAL COMPANIES AND FINANCE

Telefónica boosts interim profit 13% to Pta32.7bn

By Peter Bruce in Madrid

TELEFONICA, the internationally quoted Spanish telephone monopoly, yesterday reported a 13.2 per cent increase to Pta32.89bn (\$273.3m) in net profits for the first half of 1989.

services in Spain. At the end of June the waiting list for telephones in the country had reached 624,000 lines, nearly 200,000 more than forecast.

Pta970m for the first six months of 1989, an 80 per cent increase on last year's period. The figure refers only to reinsurance, the company's main business sector.

Outcome of Wärtsilä talks due tomorrow

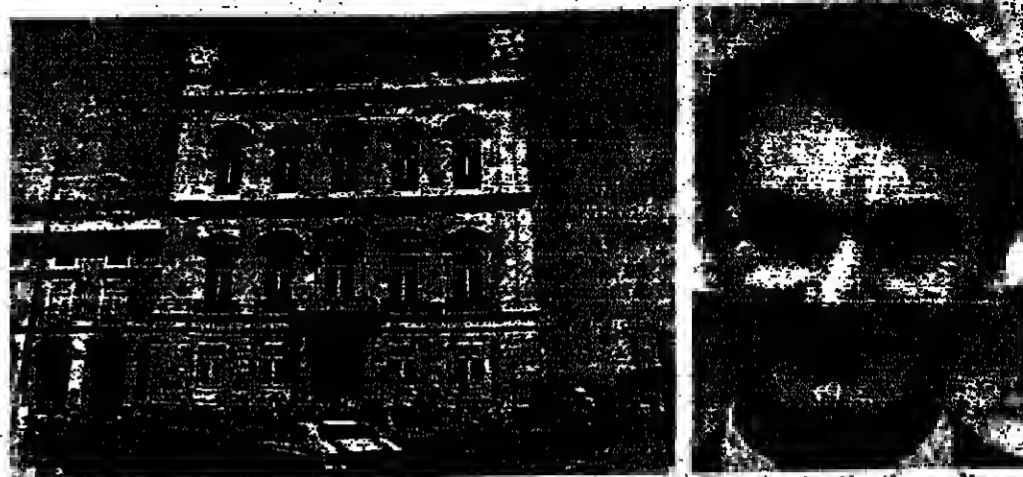
By Enrique Tessieri in Helsinki

THE FINNISH Government is expected to announce tomorrow the results of talks with privately-owned Wärtsilä Marine, one of the largest shipbuilders in Europe which has turned to the Government to save it from bankruptcy.

Portugal back on the broking map

Diana Smith on the repercussions of a sweeping privatisation drive

Foreign investors and Portuguese groups are queuing up for shares in whatever enterprises the Portuguese Government cares to privatise, in spite of criticism of bureaucratic delays in the schedule.



Lisbon bourse activity has been bolstered by Prime Minister Silva's privatisation policy

British brokers are at the front of the non-Spanish queue for privatised shares or those in listed companies. "Non-Spanish" is a necessary rider as the Spaniards made sophisticated purchases which noted their solid chunks of Unicer and BTA.

but which subsequently regrouped and prospered abroad, returning to Portugal in 1986 with a new bank, Banco Internacional de Comercio, and an investment firm, Esal. The family is now amassing a Portuguese portfolio and recently became the first Portuguese group to float shares in London.

out loud whether privatisation is a good idea if it lets so many shares go to "strangers." The authorities thought they had things sewn up against those marauders. They limited foreign ownership to 5 per cent of a privatised company while holdings by Portuguese individuals or enterprises were restricted to 10 per cent each.

COMPANY NEWS IN BRIEF

SDS, the largest Danish savings bank, increased first-half earnings after depreciation and loss provisions from Dkr161m to Dkr226m (\$30.6m). Loss provisions were cut from Dkr371m to Dkr225m, writes Hilary Barnes in Copenhagen.

company's annual meeting on July 26, a spokeswoman for Mr Kirch said. The suit would be the latest development in a long battle between Springer and Mr Kirch, who controls 26 per cent of Springer and has tried to take over the media group.

First-half sales figures showed that turnover at the group's Automobiles Peugeot unit rose 14.3 per cent from a year earlier. Turnover at Automobiles Citroën, its other main vehicle making unit, was up 15.9 per cent.

Mr Bror Wahroos, a Ministry of Trade and Finance official involved in the negotiations, reaffirmed that the state would not be the only party to bail out the financially troubled shipbuilding company.

Advertisement for Eagle Food Centers. It features the Eagle logo and text: "3,700,000 Shares Eagle Food Centers Common Stock (par value \$.01 per share) 700,000 Shares This portion of the offering was offered outside the United States by the undersigned." It lists several financial institutions as underwriters, including Goldman Sachs International Limited, Oppenheimer & Co., Inc., and others.

Advertisement for Allied Irish Banks, p.l.c. It features the logo and text: "New Issue 7,000,000 American Depositary Shares Representing 7,000,000 Non-Cumulative Preference Shares (\$25 Par Value)". It lists Merrill Lynch Capital Markets as the lead underwriter and lists other participating firms like The First Boston Corporation, Morgan Stanley & Co., and Salomon Brothers Inc.

Advertisement for MR MAX CORPORATION. It states: "To the Holders of Warrants to subscribe for shares of common stock of MR MAX CORPORATION (the 'Company') (issued in conjunction with an issue by the 'Company' of US\$40,000,000 3 1/2 per cent Guaranteed Bonds 1989)". It includes a notice of typographical error and provides contact information for MR MAX CORPORATION.

INTERNATIONAL CAPITAL MARKETS

Algeria strives to master its debt

Francis Ghiles on the country's coherent policies for loan repayment

Algeria has, so far, confounded predictions that the 43 per cent decline in real income that it suffered in the wake of the collapse in the price of oil in 1985-88 would force the Government into rescheduling the country's external debt of \$21bn.

claims outstanding and agreement is near on another third. Two factors lie behind the efforts currently under way in Algeria.

international banks which, however, proved less than interested in lending fresh money to Algeria.

external financing will also improve. Algeria's foreign account this year.

The visit paid last week by Mr Pierre Bérégovoy (right), the French Minister of Finance, to his counterpart in Algiers, Mr Sid Ahmed Ghazali, set the seal on much improved financial relations between the two countries.



short-term country which remains largely unexplored. Companies such as Agip, Broken Hill, Total, Cepea and Anadarko Petroleum have already signed agreements with Sonatrach where those in charge of exploration are displaying a certain pragmatism.

Over the past six months, Algeria's leading creditors - France, Italy, Japan and Spain - have all extended large new lines of credit, thus effectively refinancing older debt.

to be paid by Gaz de France and Distrigaz of Belgium respectively, following the settlement of long-standing disputes over the volume and price of Algerian Liquefied Natural Gas (LNG) shipped to the two European countries.

TO THE SHAREHOLDERS OF THE POHJOLA INSURANCE COMPANY LTD.

Exchange of share certificates and free share marking

An amendment of the Insurance Companies Act took effect in Finland on 15 July 1989. The amendment restricts foreigners' right to own shares in Finnish insurance companies and their voting rights.

Under the new act, foreigners are entitled to buy only shares which have been marked to the effect that they can be transferred to foreigners.

The share certificates submitted for marking will have to be exchanged since free share marking can be effected only by printing. For practical reasons, also the other Pohjola share certificates will be exchanged in the same connection. The company requests:

- 1) All shareholders to exchange their share certificates during the period 17 July-29 September 1989.
2) Those foreign shareholders who are entitled to free shares to submit their claim for marking in connection with the exchange of share certificates.

Pohjola share certificates to be exchanged and claims for free share marking can be submitted to all Kansallis-Osake-Pankki offices in Finland. Share certificates can be exchanged even after the abovementioned period of time.

A separate memorandum of the free share marking has been drawn up. The memorandum has been sent to all foreign shareholders of Pohjola who have been entered into the share register and by Finnish banks and stockbrokers to their foreign securities account holders.

POHJOLA INSURANCE COMPANY LTD.

These securities having been sold, this announcement appears as a matter of record only.

Mizuno Finance Netherlands B.V. advertisement featuring Mizuno logo, bond details (DM 100,000,000, 7 1/2% Bearer Bonds Due 1993), and contact information for various banks and Sumitomo Bank.

WORLD ECONOMY advertisement with text: 'The Financial Times proposes to publish this survey on: 26 SEPTEMBER 1989' and contact details for Nigel Bicknell.

MOBILE COMMUNICATIONS advertisement with text: 'The Financial Times proposes to publish this survey on: 30 SEPTEMBER 1989' and contact details for Jeremy M. Baulf.

FT INTERNATIONAL BOND SERVICE

Table of international bond data including columns for US Dollar, Yen, Deutsche Mark, and other currencies, listing bond types, yields, and prices.

SIA mergers 'down from 1988 peak'

MERGERS OR acquisitions involving the approximately 600 companies that belong to the Securities Industry Association (SIA) reached a peak of 25 in 1988 but have slowed since then, according to new statistics from the trade group.

INTERNATIONAL CAPITAL MARKETS

Treasuries rise modestly ahead of auction

By Janet Bush in New York and Katharine Campbell in London

US TREASURY bonds moved modestly higher yesterday morning in advance of the auction of three-year notes, amid expectations of healthy demand at this week's quarterly refunding.

GOVERNMENT BONDS

Issues stood as much as a point higher. Market talk is focused on what level of Japanese demand can be expected at this week's auctions.

expect any further easing in interest rates nor any significant erosion in US inflation for the time being, the bond market has a strong undertone.

NEW INTERNATIONAL BOND ISSUES

is very quiet," said the head of one new issue department. A solitary deal emerged in London, a \$50m fungible issue for Electricite de France by JP Morgan.

published today.

THE AUTHORITIES

THE AUTHORITIES' efforts to take the steam out of the Japanese market have been only partially successful.

THE CHOICE

THE CHOICE of Mr Geoffrey Palmer as New Zealand's new Prime Minister had no discernible effect on that country's bond market either.

came the continuity, although prices barely changed.

BENCHMARK GOVERNMENT BONDS

Table with columns: Coupon, Red Date, Price, Change, Yield, Week Ago, Month Ago. Rows include UK Gilts, US Treasury, Japan, Germany, France, Canada, Netherlands, Australia.

THE UK gilt-edged securities market posted gains of up to 1/2 point yesterday, helped by a stronger pound.

Swedish mortgage bonds surge in Denmark

By Hilary Barnes in Copenhagen

Swedish mortgage bonds surge in Denmark

SWEDISH mortgage bonds are proving a success on the Copenhagen Stock Exchange. Three Swedish institutions have made a total of five issues in the past six weeks.

Tokyo SE set to admit companies listed on Nasdaq

By Michio Nakamoto in Tokyo

Tokyo SE set to admit companies listed on Nasdaq

THE JAPANESE authorities are planning to relax substantially rules governing the listing of foreign shares on the Tokyo Stock Exchange (TSE).

Egyptian authority backs merchant bank formation

By Tony Walker in Cairo

Egyptian authority backs merchant bank formation

EGYPT'S Investment Authority has approved the formation of a merchant bank to be incorporated in Cairo, with the Kuwait Real Estate Investment Consortium (Kreic), owned by the Kuwait Investment Authority, as the leading shareholder.

Electricite de France launches \$50m fungible issue

By Andrew Freeman

Electricite de France launches \$50m fungible issue

ACTIVITY ON THE Euromarkets all but dried up yesterday, with syndicate managers and traders reporting one of the quietest days of the year.

INTERNATIONAL BONDS

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completed syndication of a \$60m three-year term loan for a wholly-owned subsidiary of Minerva Corporation, a UK property company.

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FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

Table with columns: Index No., Day's Change %, Est. Dividend, Gross Dividend, Est. P/E, etc. Rows include 100 SHARE INDEX, EQUITY GROUPS, and FIXED INTEREST.

LONDON MARKET STATISTICS

BRITISH FUNDS, RISES AND FALLS YESTERDAY

Table with columns: British Funds, Rises, Falls, Same. Rows include British Funds, Corporate Bonds, etc.

LONDON RECENT ISSUES

Table with columns: Issue, Amount, Price, Yield, etc. Rows include various corporate and government issues.

FIXED INTEREST STOCKS

Table with columns: Issue, Amount, Price, Yield, etc. Rows include various fixed interest stocks.

RIGHTS OFFERS

Table with columns: Issue, Amount, Price, Yield, etc. Rows include various rights offers.

TRADITIONAL OPTIONS

Table with columns: Issue, Amount, Price, Yield, etc. Rows include various traditional options.

LONDON TRADED OPTIONS

ACTIVITY ON THE London Traded Options Market yesterday was spread across a variety of stocks.

Table with columns: Option, Call, Put, etc. Rows include various traded options.

TRADITIONAL OPTIONS

Table with columns: Issue, Amount, Price, Yield, etc. Rows include various traditional options.

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Market indices 2300-1; 10 am 2350-1; 11 am 2360-1; Home 2380-1; 1 pm 2380-1; 2 pm 2380-1; 3 pm 2350-1; 4 pm 2350-1. FT-SE 100 SHARE INDEX: 2348.1 (+4.4) 2357.7 2347.7 2341.5 2327.5 2306.3 2307.4 2292.3 184.2

UK COMPANY NEWS — THE BID FOR BAT

Is the company in a position to compete or heading for decay?
Hoyleke attacks growth record

By Nikki Tait

IT WAS a very different approach taken by Sir James Goldsmith as he presented the Hoyleke offer document yesterday, compared with that adopted when the bid was first launched a month ago. Then, he sped straight into questions. Yesterday, he delivered an hour-long attack on BAT's record.

The same argument comprises the centre-piece of the offer document. "The case for this bid must rest on the answer to simple questions," writes Sir James at the outset. "Has the existing management placed BAT in a position to compete successfully? . . . Or has it been managed in a way which could lead to progressive senescence and decay?"

In the document, Hoyleke notes that the share of BAT's profits coming from tobacco has fallen from 74 per cent in 1978 to 46 per cent now, but its shares remain at a similar discount to the FT-A Industrial Share Index Price Earnings Ratio as they were then — a figure of slightly more than 30 per cent.

This judgement by the market, argues Sir James, is justified by BAT's record both on running the core business and its diversification policy.

The four areas of BAT's present business are dealt with separately in the offer document. ● **Core tobacco side** — it claims that the share of the world cigarette market has declined since 1983, when the present chairman, Mr Patrick Sheehy, took up his post. In the US, it argues that the share is down from 13.3 per cent to 11 per cent. "Over the period, BAT's tobacco division spent \$722m on capital expenditure, its profits rose 4 per cent compound — and its world market share continued to decline.

This is contrasted with the record of Philip Morris, where Hoyleke says \$983m has been spent on capital expenditure, profits have risen 12.7 per cent and world market share has risen.

● **Retail interests** — it catalogues various diversifications which it claims were a failure and argues that "this grouping of disparate retail companies

forms a conglomerate within a conglomerate". It says that BAT saw a 2 per cent growth in retail profits between 1983 and 1988, and contrasts that with the likes of Marks & Spencer, Boots and Dillard's Department Stores in the US.

● **Paper** — this is BAT's best story, says the document, noting that profits grew from \$100m in 1983 to \$186m in 1988, an average annual growth rate of 13.2 per cent. However, it adds that the more recent performance shows "that profits have fallen from the 1986 peak and in its principle US market of carbonless paper, BAT has admitted to losing market share.

● **Financial services** — it claims that "once again a disparate collection of financial services companies has been formed". Hoyleke maintains that the Eagle Star record has been "substantially flattered" by an accounting policy which includes both unrealised and realised investment gains in the earnings used to compute earnings per share.

"This accounting engineer-

ing has added more than £500m in aggregate to the pre-tax profits of BAT since the acquisition of Eagle Star in 1984", it claims.

For good measure, Hoyleke also compares the BAT performance record against some other UK multinational conglomerates, suggesting that there has been a 67 per cent cumulative growth in earnings per share between 1983 and 1988 in contrast to 173 per cent at Lloyds, 238 per cent at BTR and 354 per cent at Hanson.

Not surprisingly, the comments are comprehensively rejected by BAT as "extremely slick and selective". Citing one example which it claims typifies the Hoyleke approach, it points to a quotation in the document. "Expansion of the group must come predominantly through the organic growth of our business," it reports Mr Sheehy as saying in the 1983 accounts. BAT pointed out yesterday that the quote reads on "...but first we must take care to establish a range of activities that gives us the potential for such growth."



Getting their ideas in focus: Kerry Facker (right), Sir James Goldsmith and Jacob Rothschild yesterday presenting Hoyleke's offer

Three types of securities on offer

Nikki Tait looks at the financing arrangements for the bid

INVESTORS who accept the Hoyleke offer will exchange their BAT Industries shares for three types of securities.

For every 1,000 BAT shares, they will receive 24,250 nominal of Hoyleke senior secured notes, secured on the cash raised from the disposal of certain BAT assets, \$4182 nominal of subordinated notes, and 387 ordinary shares in Anglo.

The offer document makes five 'health warnings', including the caution that 'there can be no assurance that any active market for either class of Hoyleke notes will develop.'

Anglo is an existing quoted company, earmarked earlier this year as the principal vehicle for Sir James Goldsmith's return to the UK acquisition trail.

If the offer is fully successful in its present form, Anglo will end up with 75 per cent of Hoyleke (before taking account of an "override" scheme explained elsewhere on this page), which in turn will own 100 per cent of BAT.

Existing BAT shareholders will have 82 per cent of Anglo while existing Anglo shareholders will retain the remaining 18 per cent.

The bare bones of this financing were revealed when the bid was announced four weeks

ago. Yesterday's offer document, however, gives the first full details of two pieces of Hoyleke paper.

In terms of the total offer consideration, which is put at close to £18.5bn, these two loan note tranches are said to account for £18.5bn, while the much enlarged Anglo equity is valued at £2.9bn. This last figure is simply derived from taking the number of Anglo shares which would be in issue if the bid is successful, and multiplying by Anglo's recent market price.

Of the other two pieces of paper: ● The senior secured notes will bear interest at various margins over Libor — starting with an initial margin of 3 percentage points per annum, which reduces to 2.5 per cent when certain security is in place and to 2 per cent when these notes are fully "cash collateralised". They will initially be secured on Hoyleke's assets — its 100 per cent ownership of BAT and any distribution received by Hoyleke of the net proceeds of disposals of BAT assets.

Redemption will take place as to 50 per cent, 25 per cent and then 25 per cent of the notes approximately 18, 24 and 36 months after their issue. Bankers Trust has said it believed that if issued on August 4, the Hoyleke notes would have had a value then of approximately par.

● Interest on the subordinated notes will be paid initially at 14.5 per cent per annum, rising to the higher of the initial rate

and three-month dollar Libor plus 5.75 percentage points per annum, plus a further margin.

This additional margin will be zero in the first quarterly period, but increase by 0.5 per cent on each successive interest payment date during the first two years from issue and by 0.25 per cent on each successive interest payment date after that.

Interest in the first two quarterly periods will be paid to the holders of the Hoyleke subordinated notes on the last day of the second quarterly period. Thereafter interest payments will be made on the last day of each quarterly period.

The notes are subordinate to the senior notes. They can be redeemed at any time at par, and will be redeemed in full at

par four years after issue. In this case, Drexel Burnham Lambert has estimated a value of par, if they had been issued on August 4.

The precise value of the offer was still being disputed by the defending camp yesterday, and the offer document itself puts forward five "health warnings" — ranging from the lack of assurance about the value of Anglo shares if the offer becomes unconditional, to the statement that "there can be no assurance that any active market for either class of Hoyleke notes will develop".

On the last point, the document makes clear that — at least at the outset — any direct marketing of the senior secured notes to US investors is effectively ruled out.

Override facility included to compensate holders and investors for risk taken

By Andrew Hill

THE BID for BAT Industries includes the US-inspired refinement of a "profit override".

The override, say the predators' advisers, offers some compensation to the original Hoyleke investors and existing Anglo shareholders for the risk taken in making the bid.

It also compensates Sir James Goldsmith, Mr Jacob Rothschild and their fellow investors for the loss of the \$44m paper profit on their 1.25 per cent investment in BAT, if the bid is successful that profit will be massively diluted by existing BAT shareholders' 92 per cent holding in the enlarged Anglo.

In simple terms, the override clause entitles existing shareholders of Anglo Group and the original Hoyleke investors to 8 per cent of Hoyleke's distributions of BAT proceeds, and any increase in the value of the company's equity.

For example, the subscription cost of Hoyleke's issued share capital is roughly £3.5bn at the moment. At January 1 1992 an independent UK merchant bank or US investment bank will value Hoyleke's issued

capital, which should be boosted by disposals of BAT's non-tobacco businesses.

Original Hoyleke investors and existing Anglo shareholders will be entitled to 8 per cent of the difference. If the value has increased to \$4bn the eligible shareholders will receive \$40m. They will also receive 8 per cent of any distributions of proceeds on BAT disposals.

That 8 per cent reward will be weighted in favour of the individual Hoyleke investors — an additional incentive for them to get the best price possible for BAT's non-tobacco interests and a reflection of the extent of their initial interest.

Hoyleke investors will receive 40 per cent of the override; existing shareholders in Anglo — 74 per cent of which is owned by Sir James and Mr Rothschild — will receive the balance.

In addition Anglo's existing shareholders will be able to participate in an issue of warrants, on the basis of one for every two shares held, exercisable at \$50p per Anglo share, compared with the price of 439p before the BAT offer was announced.

The override will be distributed in the form of Hoyleke 'B' shares. Anglo will convert its share of the pay-out into profit participation shares (PPS), offered on the basis of one PPS for every 10 Anglo ordinary shares held.

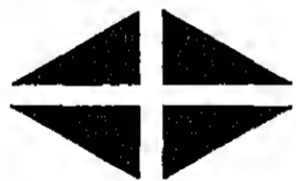
Compared with US examples, the Hoyleke override is said to be fairly modest and Hoyleke advisers stressed yesterday that the major benefit for Hoyleke and Anglo investors would come from their continuing stake in the group, rather than from the override.

If the offer is fully accepted, the original cash investors will be left with 25 per cent of Hoyleke.

Existing BAT shareholders will have 92 per cent of the enlarged Anglo, and existing Anglo shareholders will own the balance.

Anglo, in turn, will own the outstanding balance of Hoyleke — some 75 per cent. Assuming the minimum level of acceptance for the offer to be declared unconditional, accepting BAT shareholders would represent 78.8 per cent of Anglo's share capital, and Anglo would own 60 per cent of Hoyleke's equity.

This announcement appears as a matter of record only.



BALTIC

£50,000,000

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BARCLAYS de ZOETE WEDD

August, 1989

CHARTERHOUSE

Anglo United wins Coalite bid

DAVID McErlain's Anglo United has won its £478m bid for Coalite, Britain's largest private fuel distribution group and owner of the Falkland Islands Company. The Anglo team declared cash and shares.

THE NAME BEHIND THE NEWS.

Charterhouse Tilney, as sole broker to Anglo United in its £480 million bid for Coalite, arranged the sub-underwriting of a 100% increase in Anglo's equity.

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Potential Made Possible

THE BID FOR BAT

Professor Jimmy books his ticket for Brazil

By Barry Riley

MEET Professor Goldsmith. You have heard of Jimmy Goldsmith, international playboy, and of Sir James Goldsmith, billionaire financier. But yesterday another academic side to his character was revealed, as he lectured the assembled press on the intricacies of his consortium's bid for BAT Industries.

Stunned at the lecture, he peered at his audience over half-glasses, occasionally using a long white stick to point to one of a series of projected charts illustrating many alleged inadequacies of the BAT management.

He may have been expelled from Eton long before passing his A-levels, but this did not inhibit him from plunging into lengthy explanations of erudite subjects ranging from corporate governance and the nature of debt instruments to the technicalities of the Constitution of the United States.

But unlike a true professor, at one stage he had the grace to apologise about the length of his exposition.

As his seminar progressed,

too, his language became rather less than scholarly. BAT was guilty, he suggested, of "financial disengineering" by which he meant, apparently, that it destroyed value rather than created it.

BAT was bureaucratic, sprawling, and skillful only at protecting quasi-monopolies in distant lands. If BAT were misguided enough to fight on its record it would be "dead in the water".

Throughout all this his Australian partner Mr Kerry Packer sat impassively. But eventually, in attacking the tobacco giant's acquisition policies, Sir James popped in an antipodean reference. "Compared to BAT, Alana Borel has got iron self-discipline," he said. Mr Packer briefly broke into a smile, but stayed silent.

It was left to Sir James's other partner in this deal, Mr Jacob Rothschild, to offer verbal support. Unlike the intense and fierce-eyed Goldsmith, Mr Rothschild was clearly a man with a conscience, and fretted about short-termism. "I wish there was a better method," he

confessed.

But there was a gap in the system, and Hoylake was determined to fill it.

"Good companies operated on sound principles don't get taken over," he claimed, going on to elaborate on the faults of BAT Industries. The group's acquisition policy, for instance, had been "quite hasty" though it was not clear whether or not this was intended to be a pun.

One of the worst examples of excess, he alleged, was the client entertainment centre in Brazil. "Some of us have a certain puritanical side to us," insisted the straight-laced Mr Rothschild.

But by this time he was clearly testing the unity of the Hoylake consortium. He sprang a protesting Sir James Goldsmith. "I'm looking forward to going to see it," he said. "Unlike Jacob I'm not a puritan."

The professional mask had slipped. Jimmy Goldsmith, playboy and darling of the gossip columnists, was back after all.

Hoylake's costs will total £165m if bid is successful

By Vanessa Houlder

IF HOYLAKE'S £18m bid for BAT Industries succeeds, the costs involved will total about £165m, according to the offer document published yesterday.

And this takes no account of value added tax, much less of defence costs to be incurred by BAT itself.

If the figure appears comparatively modest for a bid of this size, it may be greatly increased if Hoylake is forced to alter the terms of its deal. Substantial underwriting fees might be incurred if Hoylake was forced to offer cash as part of the deal.

The financial advisers acting for Hoylake will account for over a third of the total bill if the bid is successful. As expected, the banking fees are heavily dependent on success, with an aggregate success fee of £100m (£62.5m).

Drexel Burnham Lambert stands to win the lion's share of this success fee, claiming a minimum of \$50m, in addition to the \$2m it has already been paid.

Hambros Bank, which is Hoylake's principal adviser, will be paid \$30m. Bankers Trust International, which has already been paid \$5m, will receive the greater of \$25m or a quarter of all fees paid to the financial advisers.

shares. Hambros will receive \$5m. Hoylake will also pay the costs of the advisers and indemnify them against any losses or damages they incur in connection with the bid.

The offer document does not give details of its £165m bill which includes the costs of bankers, brokers, lawyers, accountants as well as the expenses involved in the issuing of Anglo shares and warrants.

Drexel Burnham also stands to win substantial fees if Hoylake is required to raise funds to finance the acquisition. The offer document says it has been retained for its customary fees, subject to agreement. In the KKR bid for Nabisco, Drexel Burnham was awarded at least \$227m for advising the firm and arranging a bridging loan.

In the only other bid of a comparable size, the £24.7bn takeover of RJR Nabisco by Kohlberg Kravis Roberts last year, bankers and financial advisers of one sort or another picked up an estimated \$1bn in fees, interest and stock

NFC ahead and on target to reach £89m

By Clare Pearson

NFC, the largely employee-owned transport and distribution group, performed in line with expectations against a background of depressed conditions in a number of its markets during the third quarter of the year.

Pre-tax profits after profit sharing in the three months to June 10 showed a 33 per cent improvement, bringing the 36-week total to £53.5m, up from £36.5m.

The directors, who have maintained the practice of providing a "best view" of the 12-month profits result even after the company's Stock Exchange listing in February, continue to expect NFC to make £55m, a figure they increased by 22m at the interim stage.

A turnover increase of 27 per cent to £992.4m (£781.5m) would have been only 13 per cent but for the contribution from Allied Van Lines, the removals business bought in February 1988, and so included in both this and last year's figures for the first time in the third quarter.

NFC said the economic slow-down in the UK hit into the results, particularly of Pickford's Travel, the package holidays business. Pickford's home removals and the truck rental operations were also affected. Meanwhile, lower occupancy levels and storage rates meant results of Tempco Union, the cold storage business, were well below those of last year.

Helped by two new centres for Tesco, the supermarket chain, started up in the third quarter, distribution activities, recently named Excal Logistics, made £18.5m (£16.3m). Home Services made £13.4m (£10.7m) as Allied Van Lines was brought in.

Property substantially increased its contribution to £14m (£4.7m). Pickford's Travel slumped into losses of £4.4m, against a profit of £100,000.

Profit sharing was maintained at 15 per cent of pre-tax profits. Earnings per share totalled 10.9p (7.7p).

A third dividend of 1.35p, making 3.8p for the year so far, is declared, a 44 per cent increase.

Charterhouse in Ward White talks

By Philip Coggan

CHARTERHOUSE BANK said yesterday that it was one of the parties offering buy-out proposals to the board of Ward White, the retail group which is trying to fend off a £90m bid from Boots.

Mr Sandy Muthhead, head of UK corporate finance at Charterhouse, said that "conversations had been fairly informal" and that "no firm proposals have been agreed."

The current proposals involve Charterhouse as sole adviser but it is possible that

any deal could include some of the other parties which have approached Ward White. Those parties are believed to include Shearson Lehman.

On Monday, Ward White denied that Bankers Trust, the US banking group, was among the parties involved. Mr Graham Walsh, a Bankers Trust employee, is a non-executive director of Ward White.

Any buy-out deal is expected to contain the usual mix of equity, mezzanine debt and senior debt. However, detailed

proposals are not expected to emerge till next week.

Yesterday, Boots issued the document for its increased and final offer of 45p per share. The circular entitled "Ward White: peddling hard - going nowhere?" attacks the £33m interim profits forecast made by Ward White, saying that it gives no indication of like-for-like growth in the underlying businesses and depends on a low tax charge for earnings growth.

The document also criticises

the performance of Ward White's subsidiaries saying that it has underinvested in Payless, the DIY chain, which now has "an uncomfortable position in an increasingly competitive DIY market."

Boots also argues that Ward White has been slow to reorganise A.G. Stanley, the decorative products chain and that the market position of Halfords, the bicycles and auto parts stores group, is not as strong as Ward White has suggested.

Yorkshire Radio to join USM

By Vanessa Houlder

YORKSHIRE Radio Network, an independent radio service operator, is joining USM in a placing that values it at £18.7m.

Fanmure Gordon is placing 2.1m shares at 200p each, in order to raise about £3.6m for the company. Dealings are expected to start on August 14.

Yorkshire operates four independent commercial radio ser-

vices in the Yorkshire and Humber area as well as a cable broadcasting service in Singapore. It also provides broadcasting engineering services to the communications industry.

It is forecasting pre-tax profits of £1.3m for the year to September 30, compared with £893,000 in the previous year.

The placing will be used to fund the purchase of the Singa-

pore Group and provide working capital for future expansion.

The flotation, which follows that of Invicta Sound, a Kent-based independent radio company, last month, marks a period of rapid growth of the quoted radio sector. The recent growth in advertising revenues and the prospect of deregulation have attracted companies to the market.

Newgateway throws in the towel

By Nikki Tall

NEWGATEWAY, the bid vehicle for Wasserstein Berens and Great Atlantic and Pacific Tea Company, yesterday allowed its £2bn-plus offer for Gateaway, the UK food retailer, to lapse. It currently owns about 40 per cent of the shares.

The battle for control of Gateaway has already resulted in victory for Isosceles, a newly formed UK group which won over 50 per cent of the shares and last month declared its bid unconditional.

Newgateway said that it had originally kept its own offer open so that the possibility of Isosceles accepting its bid was not ruled out.

However, Isosceles quickly made it clear that, since it had secured victory, it had no such intention, and the Americans' advisers gave this as the reason for lapsing the bid yesterday. Newgateway, in the meantime, has also been free to acquire additional shares.

Talks between Newgateway and Isosceles are thought to have commenced with a view to resolving the current complex situation.

First Tech boosts ex-director's pay-off

By John Thornhill

THE ANNUAL report of First Technology, the security and safety systems company, reveals that Mr Samuel Alderson, one of its former directors, received total payments of £277,000 following his resignation in January.

His departure proved to be a matter of some controversy earlier this year during First Technology's fiercely fought, and ultimately unsuccessful bid, for Ricardo, the engine design company. In its defence document urging its shareholders

to reject First Technology's final offer, Ricardo commented on Mr Alderson's departure and attracted a libel writ for its troubles.

Mr Alderson joined First Technology in February 1988 when it bought an 88 per cent stake in his US Humanetics company, which was involved in the business of making crash dummies and "phantoms" (human skeletons encased in synthetic materials which are used to help calibrate hospital radiological

equipment).

In January, Mr Alderson resigned as chairman of Humanetics and as a director of First Technology. He received £111,000 for the early termination of his three-year contract. But he also received £166,000 not to compete with Humanetics crash dummy business.

Mr Alderson has retained the phantoms side of the business and First Technology has agreed not to compete with him in this market.

Glynwed expands US plastics side

By Philip Coggan

GLYNWED International, the Midlands-based industrial group, has bought Harrington Industrial Plastics, a Californian-based plastic piping distributor, for £15.5m (£9.57m).

Glynwed has been expanding its plastics interests throughout the 1980s and the plastics

division now represents around 12 per cent of turnover. Harrington, which made pre-tax profits of \$4m on sales of \$47m in 1988, is a major supplier to the semi-conductor industry. Although Glynwed already has a US plastics distribution operation in Chic-

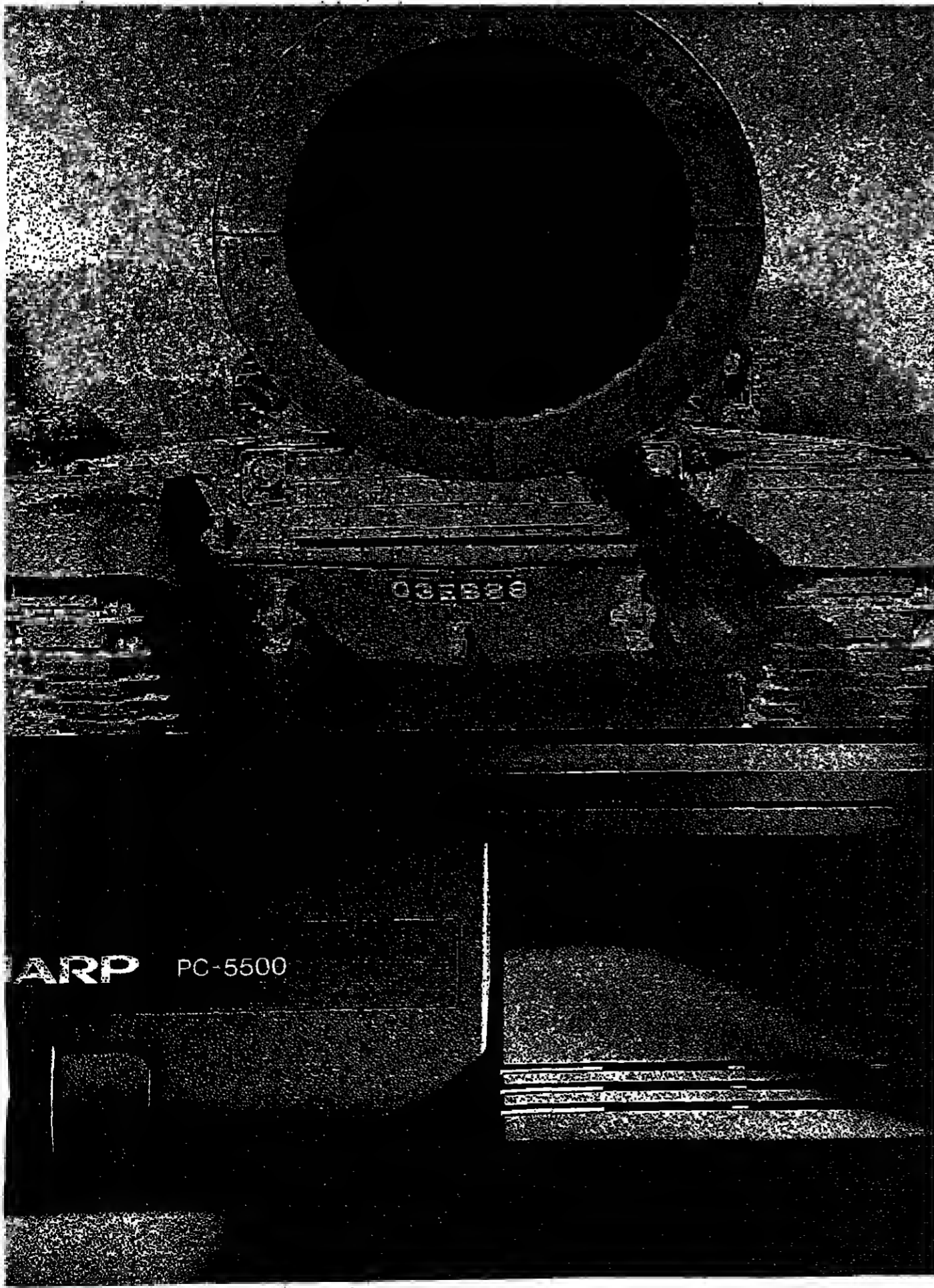
ago-based Enfield, Harrington will provide the base for expansion in the north American market. Around 12 per cent of Glynwed's turnover is generated in the US. Glynwed is paying an initial \$3.25m cash, with the balance due in one year without interest.

Practical Investment

Practical Investment Company had a net asset value of 113.71p at May 31 1989 against 104.32p a year earlier.

Net revenue for the year fell from £982,000 to £743,000 for earnings per share of 3.72p (4.92p).

A second interim dividend of 1.2p (1p) and a special dividend of 1.01p (2.2p) is being paid.



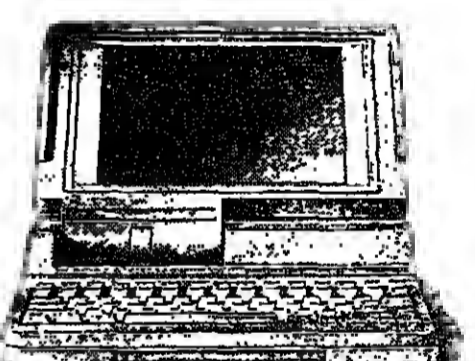
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UK COMPANY NEWS

Further asset disposals give boost to Goward's investment company. Charterhall surges to £13.1m

By Ray Bashford

CHARTERHALL, the investment company headed by Mr Russell Goward, the Australian businessman, boosted pre-tax profits from £3.4m to £13.1m during the year to June 30 1989 aided by another bout of asset disposals.

The company's principal operating centres contributed £10.1m, split between footwear retailing, through the Tandem chain (£6.1m), US oil interests (£2.4m) and clothing manufacturing (£1.6m).

The Tandem chain returned a turnover of £65m for 11.5 months and Cornh, the clothing manufacturer acquired through an agreed bid last December for £27.2m, made a £26m contribution, to a group turnover of £104.3m, compared with £28.8m in the previous 12 months.

Earnings per share rose 17 per cent from 2.7p to 3.15p. The results include an item for "other income" totalling £3.6m (£5.9m), derived from a round of asset sales which has become standard practice for

the company since Mr Goward acquired the run-down oil exploration group in July 1986. The other income includes £4.2m from the disposal of remaining UK oil interests, £2.6 from property sales from within the Tandem chain and £1.8m from the partial sale of the North American petroleum business.

There is also an exceptional item of £1.5m from the disposal of properties acquired through the takeover of the Lenards footwear retailing chain. Mr Goward has a further £50m worth of assets on the block for sale, with the intention of clearing the way to make bolt-on acquisitions in the clothing manufacturing business.

The Australian made an important step in tidying up the group's strategic investment portfolio last week when he agreed to take a 15 per cent stake in Blacks Leisure in return for the sale of 29.9 per cent holding in A Goldberg which formed the basis for a

hostile all-paper bid for the Glasgow-based fashion retailer. From among the major assets up for sale, Charterhall hopes to realise £5m from additional property sales in the UK and £11m from the disposal of remaining North American oil interests.

The group's interest bill has leapt from £1.7m to £6.3 with much of this relating to holding charges associated with several large stakes held by Charterhall in listed companies.

Dividends and associated company profits contributed £1.2m to the result, up from £70,000 last time. The recommended final dividend is 1.1p (1p), with a one-for-15 scrip alternative.

COMMENT
Conservative fund managers need not waste their time examining Charterhall as a possible home for their investment funds unless of course they are simply curious about Mr Goward's unorthodox

approach to accounting. The Australian claims he is winning increasing favour among institutions which control about 15 per cent of the capital. However, it will be some time before the company loses its highly speculative rating. While the core businesses are expanding, the group performance remains pegged to Mr Goward's ability to realise profits on asset disposals and include them as part of the on-going business. These profits should continue to flow in the current half but where does the Australian turn when these are exhausted? City analysts are not sure about the answer to this question but believe there is mileage in the shares while the irrepressible Mr Goward is at the wheel. Profit forecasts for the current year move in a narrow band up to £20m which places the shares on a p/e of 6, adding to their speculative interest for the more daring.

MSCC hits £3.67m but warns on dock strike

Manchester Ship Canal Company, which lost its independence in 1986 after a bitter takeover battle with Mr John Whittaker, the property developer, increased profits from £1.8m to £3.67m pre-tax for the opening six months of 1989.

Turnover was little changed at £10.45m (£10.51m) but at the operating level, profits were ahead by £570,000 at £1.33m. Pre-tax returns were struck after deducting voluntary severance payments of £2.12m (£0.57m) and adding in a £2.24m (nil) surplus on the sale of land. Earnings worked through at £4.8p (£2.5p).

The company said it was satisfied that it was taking all necessary action to maintain an effective large UK port and to maximise net asset growth by phased development of properties.

Although much progress had already been achieved in the port, the company said it would continue to modernise and reduce costs. It warned, however, that trading results for the second half would be affected by the recent three week dock strike.

TR Australia policy change attacked by main shareholder

By Nikki Tait

TR AUSTRALIA Investment Trust, a £45m fund managed by Touche Remnant, on Monday unveiled plans to change its investment policy to that of specialisation in higher-yielding Far Eastern stocks.

The switch would be accompanied by the introduction of a series of possible wind-up dates for the trust, and a bonus issue of warrants to existing shareholders, plus a capitalisation issue.

Warrant issues and the introduction of wind-up dates are fairly common devices used to reduce the traditional discount suffered by investment trusts.

However, the scheme immediately received an extremely unenthusiastic response from River Plate and General, the group's largest shareholder. River Plate, an investment trust in the Jupiter Tarbutt stable, holds 29.9 per cent of TR Australia's shares and said it saw little purpose in the proposals being put forward and criticised the "abysmal investment record" of the trust.

River Plate added that it had been sounded out about the scheme in advance, and had

made clear that it was not impressed. No final decision had been made to oppose the plan, but if it was taken River Plate promised to come up with an alternative suggestion.

The scheme suggested by TR Australia only requires the support of a straight majority of shareholders, and an EGM will be held shortly, probably at the end of August. However, there are some other large institutional holders in the trust - including the Prudential with 12.7 per cent - who are not always supportive of the investment trust movement.

The TR Australia scheme suggests that perhaps 20-35 per cent of the portfolio would remain in Australia, with another 20 per cent in Hong Kong. Another 15 per cent might go into Thailand, around 10 per cent in Japan and Singapore, and 7.5 per cent in Malaysia.

A dividend of not less than 6p - or 4p after the one for two capitalisation - would be paid in the year to August 1990, giving a gross yield of 5.8 per cent on a price of 135p, up 1p yesterday. Dividends would

be payable quarterly after April 2 1990.

Shareholders, meanwhile, would get three warrants for every 10 existing shares held. They could also vote to wind the company up in 1996, or every five years thereafter.

TR Australia argues that an alternative plan might face added costs in realising the entire portfolio and encounter management termination fees. The annual fee is 0.81 per cent, on a two-year contract.

The reorganisation plan introduces an added complication in that the capitalisation issue does not apply to the voting preference shares and thus would push the River Plate stake - which has been built up over the past year - to over the 30 per cent level.

If River Plate was supportive of the scheme, it could seek Takeover Panel approval so that it was not required to bid. Alternatively, it could reduce its stake below 30 per cent; hope that the scheme is voted down; or mount its own proposals.

The net asset value of TR Australia was put at 140.4p per share on August 1.

M&AS doubled to £396,000

In a confident interim statement, directors of Mining & Allied Supplies, the West Midlands-based mechanical handling engineer and equipment distributor, unveiled pre-tax profits up from £185,000 to £396,000.

The advance over the period - covering the six months to end-June - came on turnover ahead 72 per cent to £3,97m (£5.79m). Trading throughout the group was continuing at improved levels, the company said, and the outlook was "extremely encouraging".

After tax of £188,000 (£275,000), earnings per 12.5p share worked through at 0.8p, up from an adjusted 0.4p last time.

Assets up at CIT

Continental & Industrial Trust, a South African-controlled investment trust, announced a net asset value of 931.2p per share at end-June 1989 compared with 910.5p six months earlier. Net revenue for the interim period rose from £4.44m to £4.68m. The interim dividend is maintained at 20p.

US buy lifts Life Sciences

By John Thornhill

LIFE SCIENCES International, the manufacturer of medical diagnostics equipment, lifted pre-tax profits by 47 per cent from £2.52m to £3.7m in the half year to June 30. The advance was boosted by the first full contribution from Savant, the US vacuum centrifuge manufacturer, bought last November for £13.6m.

Savant's precise contribution was not revealed, but Mr Christopher Bland, chairman, said he was delighted by its performance.

Forma Scientific, the US

micro-biological equipment manufacturer purchased in 1987, was now selling Savant's product lines in the US and overseas and this produced considerable savings. Two other US businesses, Whale and E-C, were also said to have performed well. In all, Life Sciences' US interests contribute over 80 per cent of operating profits.

However, Image Recognition Systems, based in the UK, made a small loss during the period.

Mr Bland, who has recently

been in the limelight as chairman of LWT, the ITV contractor, said he expected Life Sciences to exceed its ambitious goals for growth in profits, earnings per share, and dividends. The company sets itself an annual target of a 20 per cent compound growth rate in earnings per share. "We should beat the hell out of that this year," he said.

Turnover rose to £29.55m (£19.62m). An interim dividend of 0.8p (0.5p) is declared, payable from earnings per share ahead 89 per cent to 2.5p (£1.8p).

Huntingdon ahead

Improved margins helped Huntingdon International Holdings, the biological and engineering analysis group, lift taxable profits to £4.2m in the third quarter to end-June 1989.

The improvement from the £2.65m reported in the same period last year, came on revenue of £21.4m (£15.85m). Directors attributed the higher margins to cost containment programmes and restructuring of acquisitions.

Earnings per 5p share expanded from 2.4p to 3.6p.

Edinburgh Oil

Edinburgh Oil & Gas reported an interim taxable loss of £32,000, against profits last time of £36,000. Turnover for the USM-quoted company in the six months to the end of June was down from £44,000 to £2,000.

Sharp growth at Trencherwood

THE POLICY of building up a broadly based group appeared to be paying off at Trencherwood, a USM-quoted property developer, as growth in its commercial side clearly compensated for the slowdown in the residential market.

Commercial operations contributed £4.1m to pre-tax profits, which rose to £3.19m from

£6.04m in the half year to April 30. Turnover increased to £31.8m (£22.73m).

Included in the outcome was a £1.32m surplus on the sale of investment property, and that offset a rise in interest charges.

Mr John Norgate, chairman, said in the past two months the residential market has seen some activity. But taking

account of a sluggish market for the whole of the financial year, he did not expect the number of units sold to exceed the 1988 total.

In commercial, the emphasis was in the industrial and business park sector.

Earnings were 24.86p (17.01p) and the interim dividend is raised to 1.5p (£1.31p).

TR City of London assets rise

Net asset value at TR City of London Trust at June 30 was 103.72p, after deducting prior charges at effective redemption values, an increase of 18 per cent on the 87.73p of a year earlier.

Net profits for the year to the end of June were £5.87m (£5.24m) for earnings per deferred stock unit of 3.52p (£2.66p). A fourth interim of 1.05p has been declared making a total for the year of 3.4p

(2.65p). For the present year the directors are forecasting a total dividend of not less than 4.12p beginning with a first quarterly payment of 1.03p.

Directors said that during the year the investments in Touche Remnant Holdings and Mermaid House were sold for considerably more than last year's valuations. Excluding the 1.6p gain on these realisations net asset value rose by 16 per cent.

Olivers for sale

Olivers, the chain of branded family coffee shop restaurants and bakeries which is part of Mecca Leisure Group, is being offered for sale. Olivers operates from 24 locations throughout the UK, mainly in major shopping areas.

Mecca said Olivers did not fit in with its development route of branded restaurants where it was concentrating on the expansion of Sweeney Todd's and Prima Pasta.

Capital & Counties confident after rise to £23.8m

Pre-tax profits from Capital & Counties, the international property group, rose 15.5 per cent in the first half of 1989, and the directors anticipated that the "steady performance" would continue over the second half.

The group, over 60 per cent owned by TransAtlantic Holdings of South Africa, reported a first half profit of £23.8m (£20.6m) and lifted the interim dividend by 1p to 5.25p. Earnings

came to 9.6p (8.6p).

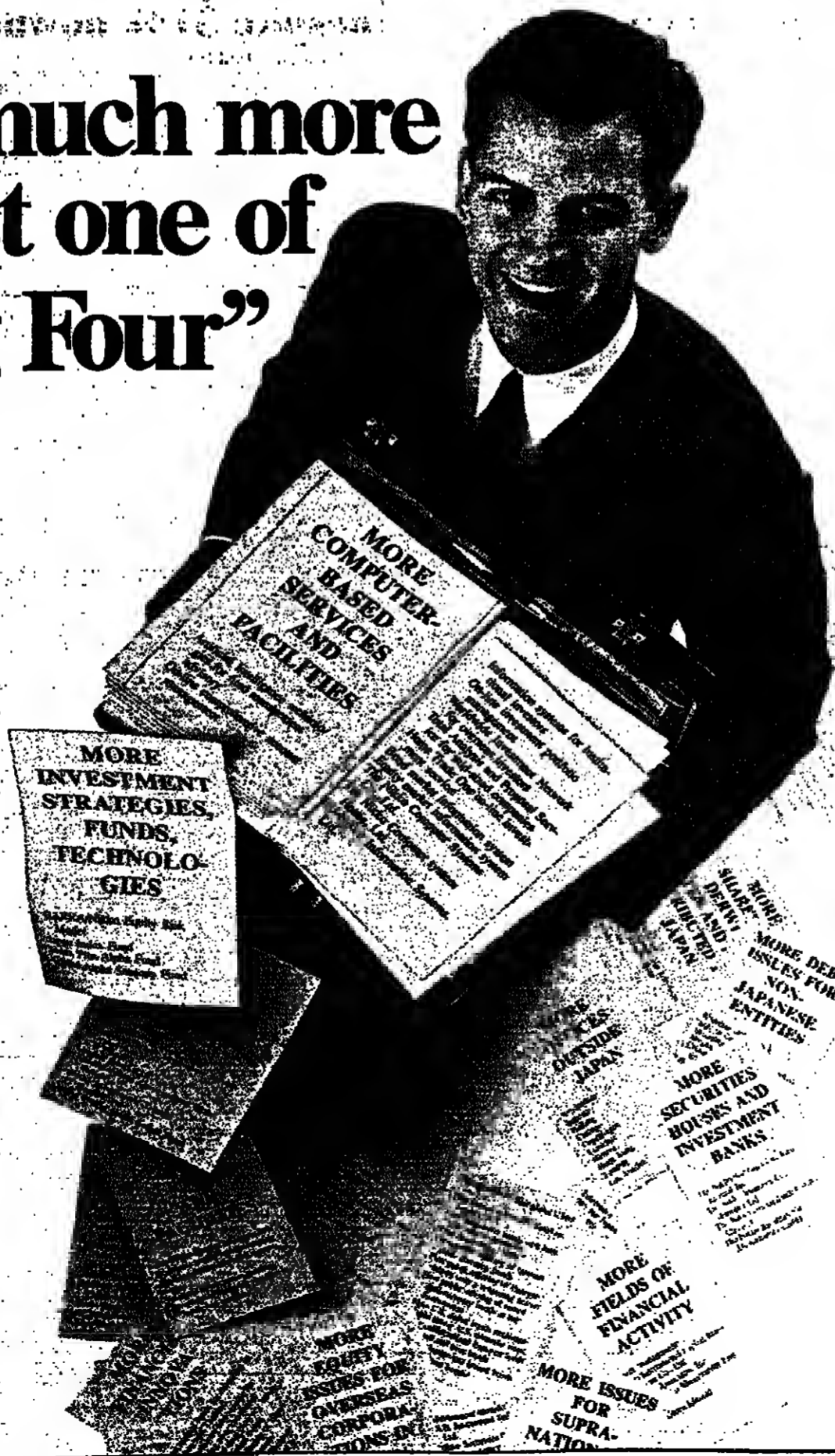
Without diverting attention from the core income earning assets, directors' energy was directed towards the development programme, particularly the three major shopping centres, Thurrock Lakeside, The Glades, Bromley, and The Harlequin Centre, Watford, costing £500m in total.

Good progress was being made, they reported. The four major retailers at Thurrock -

Marks and Spencer, Debenhams, House of Fraser and Lewis's - were signed up and in total more than half the retail floor space was committed. Construction was on schedule for opening in the autumn of 1990.

In the half year property investment accounted for £18m (£14.6m) and trading £5.2m (£3.6m) of operating income. Net interest charges were cut to £2m (£4.7m).

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*Source: Nikkei Money



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COMMODITIES AND AGRICULTURE

WTI crude expected to fetch \$18.85 next year

By Max Wilkinson
THE PRICE for West Texas Intermediate grade of crude oil will average \$18.85 per barrel next year, according to a consensus of London and New York analysts, reported in the latest edition of Platts Week.

Subsidies have failed to save the family farmer

Nancy Dunne concludes her series on the shaping of US farm policy

BILLIONS of dollars in government subsidies sent into the US farm belt over the past decade have failed to avert disaster for thousands of family farmers. Agricultural legislation has centred on export promotion and income protection, never directly addressing the increasing concentration of resources in agribusiness and large producers.

Most of these companies now have international interests. Cargill, for example, has poultry and beef operations in Brazil; ConAgra owns poultry and hog operations in Portugal. When the 1985 farm programme drove down prices the Government's grand design was to "recapture" US export markets. The policy has benefited exporters, who profit on volume, and agribusiness, which uses cheap crops as inputs.

American subsidies were squeezing out small Third World producers, while US insistence on the phasing out of all subsidies in the General Agreement on Tariffs and Trade threatened the livelihood of small farmers in Europe, he said. He called for "a global campaign to ensure that farmers and peasants regain control of the land."

In this age of giant business interests, legislators in Washington are continuing to ignore the threat issued regularly by the populists that one day all production will be in the hands of a few large corporations. Food security is not an issue in a country where obesity is of more concern than starvation. Only about 1 per cent of US farmland is held by corporations, but the interest is growing among investors who view farm ownership unenthusiastically. A fact sheet, issued by the investment bank Morgan Stanley, urges: "Buy a farm, and you may get rich slowly but more surely."

Mr Jim McCandless, executive vice president of Battery-march AgriVest, now supervises the rental of 68 farms and ranches on 340,000 acres in 18 states. It is a diversified portfolio of crops and geographic areas and a cost-efficient business enterprise. Acting for the investors, Mr McCandless keeps a close eye on farmer-tenants, who are, in turn, relieved of the considerable costs of land ownership. A two-tiered rental system for good and bad years provides tenants with some protection from the hazards of the weather.

Mr Kerr, a part-time farmer himself, brims with optimism that the estimated 1.5m small producers engaged in "niche marketing" can provide a dynamic future for agriculture and the rural economy. He urges his small farmers to respond to the growing demand for exotic fruits, Japan's favourite Shikake mushrooms, and ethnic vegetables. He issues advice on growing for cheese production and foresees growing restaurant demand for exotic meats - ostrich, llama and water buffalo.

Production expenditure 7.5 per cent up in 1988

US FARM production expenditures totalled \$112.6bn in 1988, up 7.5 per cent from the \$104.7bn reached in 1987, the US Department of Agriculture said, Reuters reports from Washington. Outlays were higher for all major categories, except interest, which decreased 7 per cent, and building and housing, which fell 10 per cent, the department said. Farm services including rent, the largest 1988 outlays by farmers at \$34.6bn, accounted for 31 per cent of US farm production expenses, a 2.7 per cent higher share than in 1987. Feed expenses totalled \$17.8bn and accounted for 15 per cent of the total. Average expenditure per farm was \$24,556, an increase of \$4,165 from 1987. Outlays by large farms (with sales over \$100,000) averaged \$271,481 and accounted for over 68 per cent of the total.

US farm group opposes use of milk hormone

By Nancy Dunne in Washington
THE NATIONAL Grange, one of the oldest US farmers' organisations, is opposing the use of the controversial new milk hormone bovine somatotropin (BST) until "such time as it has been proven to be safe for all concerned," according to the group's legislative representative in Washington. Mr LeRoy Watson said the Grange's objections were on both health and economic grounds. There is widespread concern that management techniques have not yet been developed which would ensure safety for herds from infections and other problems, he said. Even more worrying was that the hormone, which boosts milk production, would put small dairy farms out of business.

Cadmium fall spurred by short sellers

By Kenneth Gooding, Mining Correspondent
THE FREE market price of cadmium, which reached a record \$9.35 a lb last year because of demand for nickel-cadmium rechargeable batteries - used for a wide range of portable consumer products such as computers, telephones and video cameras - has fallen back to about \$4, the lowest level since January 1988. Traders suggest the price could drop to \$3 a lb before producers or consumers step in to stop the decline. They say the fall is being encouraged by several European merchants who have sold short. One London merchant pointed out yesterday, however, that they were only swimming with the tide and the cadmium price was already well on its way down before the merchant activity spurred its progress. Cadmium, like most other minor metals, is notorious for its price volatility because it represents for consumers a small part of their final product cost while for the producers it is a by-product, mainly of zinc mining. As one of the most toxic metals, cadmium suffered from environmental concerns in the 1960s which, coupled with the deep recession in the metals industry, sent the price to a low of 2 cents a lb. By mid-1987 it had recovered to \$150 and then the free market took off as rapidly increasing demand from the battery producers - Japanese consumption of cadmium doubled at that time - caught the market short of the metal. The peak \$9.35 a lb was reached in March last year but by October there had been a retreat to \$5.50. Stakes in Peru's zinc mines indicated a spike to \$8.45 at the start of this year.

Canada copper strike talks due to resume

By Robert Gibbins in Montreal
TALKS AIMED at settling the strike that has halted production at Canada's largest copper mine for more than a month are scheduled to resume tomorrow. The Highland Valley Copper Partnership's Logan Lake mine and mill in southern British Columbia has declared force majeure on August shipments to customers in North America, Asia and Europe because of the strike. Stockpiles held at the Logan Lake site and in Vancouver were shipped out during July. Highland Valley, which has an annual production capacity of 170,000 tonnes of copper concentrate, is jointly owned by Cominco, Rio Algom, Teck Corp and Highmont Mining Company, all registered in Canada. State-appointed mediator Mr Victor Roddy is due to meet the mine operator and representatives of the United Steelworkers of America, tomorrow and has asked officials of both sides to keep themselves available through the weekend. However, the union is expected to seek pay increases well beyond what Highland Valley is willing to pay and industry observers do not expect a settlement to be reached this weekend. Most non-monetary issues have already been settled.

WEEKLY METALS PRICES

Table with columns for metal names (Cobalt, Mercury, Molybdenum, Uranium, Selenium) and their prices in various units and currencies.

WORLD COMMODITIES PRICES

Table with columns for commodity names (Cocoa, Rubber, Wheat, etc.) and their prices in various units and currencies.

US MARKETS

Table with columns for market names (Copper, Crude Oil, Heating Oil, Soybeans, etc.) and their prices in various units and currencies.

Chicago

Table with columns for market names (Soybeans, Wheat, Corn, etc.) and their prices in various units and currencies.

LONDON MARKETS

Table with columns for market names (Cocoa, Rubber, Wheat, etc.) and their prices in various units and currencies.

SOYBEANS 5,000 lb

Table with columns for market names (Soybeans, Wheat, Corn, etc.) and their prices in various units and currencies.

WHEAT

Table with columns for market names (Wheat, Corn, etc.) and their prices in various units and currencies.

CRUDE OIL

Table with columns for market names (Crude Oil, Heating Oil, etc.) and their prices in various units and currencies.

NEW YORK

Table with columns for market names (Gold, Silver, etc.) and their prices in various units and currencies.

INDICES

Table with columns for market names (Dow Jones, etc.) and their prices in various units and currencies.

WHEAT

Table with columns for market names (Wheat, Corn, etc.) and their prices in various units and currencies.

WHEAT

Table with columns for market names (Wheat, Corn, etc.) and their prices in various units and currencies.

Shares end well below the best levels

THE ADVANCE in the UK stock market showed signs of faltering towards the close of yesterday's session when buyers refused to chase share prices boosted initially by a firm pound and a strong performance from Wall Street overnight.

Equities opened sharply higher, but the early gain of 16 FT-SE points found relatively little buying support and traders grew increasingly cautious as Wall Street made a slow start to the new session.

Biscuits' fast-food operations by Grand Metropolitan. But the former offer for BAT Industries from the Sir James Goldsmith camp brought few new insights and the final success of the Hanson bid for Consolidated Gold Fields saga also helped to lower the temperature.

Some traders believed that equities would have opened lower yesterday had it not been for Wall Street's substantial rise. Although yesterday's share volume total reached a brisk 489.3m shares, traders were adamant that when the full data is released today by the Stock Exchange, it will confirm a slowdown in the market since last Friday when equity turnover by value jumped to £2.2bn.

are believed to be over-optimistic. "We continue to expect base rates to remain at 14 per cent (the present level) until the Spring" is the view of the economics team at Warburg Securities, and reflects a widely-held view in the City.

FINANCIAL TIMES STOCK INDICES

Table with columns for indices: Government Secs, Fixed Interest, Ordinary Share, Gold Mines, FT-SE 100 Share, Ord. Div. Yield, P/E Ratio, SEAO Bargains, Equity Turnover, Shares Traded, FT-SE 100 Share, FT-SE Hourly changes. Includes high/low values and percentage changes.

UB sale warmly received

Although the market took time to digest the implications of United Biscuits' (UB) sale of its fast-food chains to Grand Metropolitan for £180m, the final judgement was a positive one.

"It's very good news for UB, because the released share capital that was employed in the business and left the group with lots of spare cash, and it's good news for Grand Met because the acquisition is crucial for Burger King's development," said Mr Sally Jones, analyst at Farnure Gordon.

The market was initially disappointed that the sale did not reach the hoped-for £200m mark, with some dealers saying that if Pizzaland, Perfect Pizza and Wimpy had been sold separately UB might have realised a greater profit.

Hanson warrants The first day of trading in a warrant launched by Hanson, as part of the operation to take over Consolidated Gold Fields, saw brisk business, some of which spilled over into the underlying shares.

FT-A All-Share Index



Commercial Union (CU) Dealers

are expecting a decline of around 15 per cent in half-year profits to around the £95m mark, compared with last year's £111.6m, but are looking for the company to increase the dividend to around 8p from 7.25p.

English China Clays (ECC) attracted good support after the buy recommendation issued by Mr Francis Reed at Hoare Govett. The ECR analyst says that on a 20 per cent discount to this market the shares are cheap.

Monday's speculation of a bid for Fisons hotted over at the opening of business. The stock streaked 16 in good turnover ahead before subsiding almost as quickly to close 2 better at 359p on final volume of 5.7m shares.

ARMC moved up 10 to 488p

after news of the £28m-worth of new contracts and ahead of the visit by analysts scheduled for Friday. John Mowlem picked up 13 to 439p following a buy note from a leading agency broker.

Stores were a poor market as the latest news on retail sales took its toll. Among the leaders Kingfisher (368p), Marks & Spencer (220p) and Burton (260p) all lost a few points; the three were in the top six in performing stocks in the FT-SE 100 of the past three months.

British Telecom, scheduled to reveal first quarter numbers on August 17, were 2 1/2 up at 267p on turnover of 12m. Late selling lowered Amstrad to 67p before a close of 68p, a net fall of 3, on turnover of 1m.

Glynwed and a small bear position

in the market pushed the price to 31p before it closed 3 firmer at 308p. Further consideration of recent business deals pushed Lucas through £7 to close 10 better at 789p.

Armstrong Equipment slipped 3 to 182 as hopes of a bid receded. Possible suitors suggested have been Caparo Industries and JH Fenner.

Anticipation that results from Australia's BTR Nylex, which are not due to reach London until Thursday morning, would be a repeat of last time's surprising performance, boosted its parent company BTR. Some 3.4m shares changed hands as the price climbed 10 to 485p.

TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume for major stocks including BHP, ICI, Glaxo, Rank Organisation, and others. Columns include stock name, volume, and price change.

The following is based on trading volume for most Alpha securities dealt through the SCAQ system yesterday until 5 pm.

Profit-takers left Jefferson Saturday 28 off at 559p after Monday's sharp rise on the back of the company's plans to raise cash in the US.

Life Sciences International almost doubled its interim profits and firmed 2 to 87p, while toiletry products maker Kingsrange slumped 10 to 38p after moving into loss for full-year figures.

Other market statistics, including FT-Achieves Share Index and London Traded Options, Page 21

NEW HIGHS AND LOWS FOR 1989

- List of companies and their stock prices: BHP (1200), ICI (1000), Glaxo (1000), Rank Organisation (1000), etc.

APPOINTMENTS

Atlantic Computers financial director

Mr E.C. Hartley and Mr P.A. Davis have been appointed to the main board of RADAMEC GROUP. Mr Hartley is managing director of Radamec Defence Systems, and Mr Davis is managing director, Radamec Microsystems, Radamec Electronics, and Newbury Diesel Controls.

Chief executive of Mercury Callpoint

Mr Derek Arnold has been appointed chief executive of MERCURY CALLPOINT, an equal partnership between Motorola, Mercury and Shaye Communications. He was director of NEC (UK).

Mr Roger Dunn has been promoted to group managing director of MAY HOLDINGS

Mr Roger Dunn has been promoted to group managing director of MAY HOLDINGS (formerly Valetmatic). Mr Graham Round has been promoted to managing director of Valetmatic (formerly Denzwheel) and Jet Wash.

Mr David Booth has been appointed managing director of LEONARD STACE

Mr David Booth has been appointed managing director of LEONARD STACE, Cheltenham, part of the Associated Paper Industries Group.

"YOU ARE AN ACCOUNTANT GIVING PERSONAL FINANCIAL PLANNING ADVICE AND YOUR CHOSEN SPECIALIST SUBJECT IS LATE 20th CENTURY MONEY MANAGEMENT"

Advertisement for Money Management magazine featuring a chair and text: "Have they fully exploited their captive client base? Do joint ventures with investment specialists work? How do they market their services? School fees planning - are accountants winning the business? What happens to commissions in a fee based profession? The answers to all these questions and more are in the August issue of Money Management magazine - the monthly source of financial information and authoritative comment for the professional adviser. Money Management - out now - £2.85 from your newsagent. FINANCIALTIMES MAGAZINES

July 1988

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-825-2128

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

OTHER UK UNIT TRUSTS

INSURANCES

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing FT Unit Trust Information Service data. Columns include Fund Name, FT Price, and other financial metrics. The table is organized into multiple columns and rows, listing various unit trusts and their performance data.

OFFSHORE AND OVERSEAS

GUERNSEY (SIB RECOGNISED)

MANAGEMENT SERVICES

GUERNSEY (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

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GUERNSEY (SIB RECOGNISED)

Table containing Offshore and Overseas information, including Guernsey (SIB Recognised) and other international fund details. Columns include Fund Name, FT Price, and other financial metrics.

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FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

LOANS

Main table containing FT Unit Trust Information Service data, including columns for fund names, prices, and yields.

BRITISH FUNDS

BRITISH FUNDS - Contd

Table containing British Funds and British Funds - Contd data, including columns for fund names, prices, and yields.

FOREIGN BONDS & RAILS

AMERICANS

Table containing Foreign Bonds & Rails, Americans, Money Market Bank Accounts, and Money Market Trust Funds data.

Money Market Trust Funds

Notes and details regarding Money Market Trust Funds, including interest rates and fund names.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-225-2126

AMERICANS - Contd. Table listing various American stocks with columns for Stock, Price, and other financial metrics.

CANADIANS Table listing various Canadian stocks with columns for Stock, Price, and other financial metrics.

BANKS, HP & LEASING Table listing various bank and leasing stocks with columns for Stock, Price, and other financial metrics.

Hire Purchase, Leasing, etc. Table listing hire purchase and leasing related stocks with columns for Stock, Price, and other financial metrics.

BEERS, WINES & SPIRITS Table listing various beer, wine, and spirit stocks with columns for Stock, Price, and other financial metrics.

BUILDING, TIMBER, ROADS Table listing various building, timber, and road stocks with columns for Stock, Price, and other financial metrics.

BUILDING, TIMBER, ROADS - Contd. Table listing various building, timber, and road stocks with columns for Stock, Price, and other financial metrics.

DRAPERY AND STORES - Contd. Table listing various drapery and store stocks with columns for Stock, Price, and other financial metrics.

CHEMICALS, PLASTICS Table listing various chemical and plastic stocks with columns for Stock, Price, and other financial metrics.

DRAPERY AND STORES Table listing various drapery and store stocks with columns for Stock, Price, and other financial metrics.

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BUILDING, TIMBER, ROADS Table listing various building, timber, and road stocks with columns for Stock, Price, and other financial metrics.

DRAPERY AND STORES - Contd. Table listing various drapery and store stocks with columns for Stock, Price, and other financial metrics.

ELECTRICALS Table listing various electrical stocks with columns for Stock, Price, and other financial metrics.

DRAPERY AND STORES Table listing various drapery and store stocks with columns for Stock, Price, and other financial metrics.

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ENGINEERING Table listing various engineering stocks with columns for Stock, Price, and other financial metrics.

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INDUSTRIALS (Miscel.) - Contd. Table listing various industrial stocks with columns for Stock, Price, and other financial metrics.

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LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128

LEISURE table with columns for company name, price, and other financial metrics.

PAPER, PRINTING, ADVERTISING - Contd table with columns for company name, price, and other financial metrics.

PROPERTY table with columns for company name, price, and other financial metrics.

TEXTILES - Contd table with columns for company name, price, and other financial metrics.

TRUSTS, FINANCE, LAND - Contd table with columns for company name, price, and other financial metrics.

TOBACCO table with columns for company name, price, and other financial metrics.

TRANSPORT table with columns for company name, price, and other financial metrics.

OIL AND GAS - Contd table with columns for company name, price, and other financial metrics.

MINES - Contd table with columns for company name, price, and other financial metrics.

Miscellaneous table with columns for company name, price, and other financial metrics.

THIRD MARKET table with columns for company name, price, and other financial metrics.

MOTORS, AIRCRAFT TRADES table with columns for company name, price, and other financial metrics.

Commercial Vehicles table with columns for company name, price, and other financial metrics.

Garages and Distributors table with columns for company name, price, and other financial metrics.

NEWSPAPERS, PUBLISHERS table with columns for company name, price, and other financial metrics.

PAPER, PRINTING, ADVERTISING table with columns for company name, price, and other financial metrics.

SHOES AND LEATHER table with columns for company name, price, and other financial metrics.

SOUTH AFRICANS table with columns for company name, price, and other financial metrics.

TEXTILES table with columns for company name, price, and other financial metrics.

OIL AND GAS table with columns for company name, price, and other financial metrics.

Australians table with columns for company name, price, and other financial metrics.

Regional & Irish Stocks table with columns for company name, price, and other financial metrics.

TRADITIONAL OPTIONS table with columns for option type, price, and other financial metrics.

INDUSTRIALS table with columns for company name, price, and other financial metrics.

PROPERTY table with columns for company name, price, and other financial metrics.

FINANCE, LAND, etc table with columns for company name, price, and other financial metrics.

OVERSEAS TRADERS table with columns for company name, price, and other financial metrics.

PLANTATIONS table with columns for company name, price, and other financial metrics.

MINES table with columns for company name, price, and other financial metrics.

Central Rand table with columns for company name, price, and other financial metrics.

Eastern Rand table with columns for company name, price, and other financial metrics.

Far West Rand table with columns for company name, price, and other financial metrics.

Diamond and Platinum table with columns for company name, price, and other financial metrics.

Stock Exchange dealing classifications are indicated to the right of the security name. A Alpha & Beta, Gamma, Delta, Epsilon, and Zeta. Estimated price/earnings ratios and other data are based on latest annual figures and are not necessarily indicative of future performance. All figures are based on the latest available information. All prices are in pence unless otherwise stated. Dividends are shown in pence unless otherwise stated. Dividends are shown in pence unless otherwise stated. Dividends are shown in pence unless otherwise stated.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Pound gains from dollar's fall

A WEAK dollar and a rally by sterling were the main features of yesterday's foreign exchange trading. The dollar fell through support at DM1.9000 on disappointment that last Friday's stronger than expected US employment data did not lead to a break through resistance at DM1.9200 on Monday and set up a test of DM1.9350 some time this week.

Having failed to move the US currency into a higher trading range above DM1.9000, the market looked to test the downside and took the dollar down to a low of DM1.885, before it closed at DM1.9055 in London, compared with DM1.9055 on Monday.

The dollar's decline was said to be exaggerated by thin summer trading. There were no fresh economic factors, with no figures due until publication of US producer prices and retail sales on Friday.

C IN NEW YORK

Table with columns: Aug 8, Latest, Previous Close. Rows include 1 month, 3 months, 6 months, 12 months.

STERLING INDEX

Table with columns: Aug 8, Latest, Previous Close. Rows include 8.30 am, 10.00 am, 11.00 am, 12.00 pm, 1.00 pm, 2.00 pm, 3.00 pm, 4.00 pm.

CURRENCY RATES

Table with columns: Aug 8, Bank, Special, European Unit. Rows include US Dollar, Canadian Dollar, Australian Dollar, etc.

CURRENCY MOVEMENTS

Table with columns: Aug 8, Bank of England, Morgan's. Rows include Sterling, US Dollar, Canadian Dollar, etc.

OTHER CURRENCIES

Table with columns: Aug 8, £, S. Rows include Argentina, Brazil, Canada, etc.

MONEY MARKETS

Longer rates ease

SHORT TERM interest rates remained firm in London yesterday, reflecting a shortage of liquidity while longer term rates were lower, encouraged by sterling's strong performance. One-year interbank money fell to 13 1/4 per cent from 13 1/2 per cent, while the three-month rate was barely changed at 13 1/4 per cent from 13 1/4 per cent on Monday.

In Tokyo there was no sign of strong dollar demand by institutional investors. It was said that the Japanese regard US bond prices as unattractively high and the dollar potentially vulnerable to further weakness.

At the close in London the dollar had also declined to Y138.75 from Y139.50; to SFR1.6325 from SFR1.6380; and to FFfr.3950 from FFfr.4450. On Bank of England figures the dollar's index fell to 69.6 from 70.1.

High yielding currencies, such as sterling, the Canadian dollar and the Australian dollar were the main beneficiaries from the weaker US currency.

Table with columns: Country, Current rate, % change, % change, Divergence. Rows include Belgium, Canada, Germany, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Country, Current rate, % change, % change, Divergence. Rows include Belgium, Canada, Germany, etc.

POUND SPOT - FORWARD AGAINST THE POUND

Table with columns: Aug 8, Day's, One month, % p.a., Three months, % p.a. Rows include US, Canada, Australia, etc.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table with columns: Aug 8, Day's, One month, % p.a., Three months, % p.a. Rows include UK, Canada, Australia, etc.

EURO-CURRENCY INTEREST RATES

Table with columns: Currency, Short term, 7 days, One month, Three months, Six months, One year. Rows include Sterling, US Dollar, etc.

EXCHANGE CROSS RATES

Table with columns: Aug 8, £, DM, Yen, F Fr, S Fr, H Fl, Lira, C \$, S Fr. Rows include £, DM, Yen, etc.

FT LONDON INTERBANK FIXING

Table with columns: 3 months US Dollars, 6 months US Dollars. Rows include bid 8%, offer 8 1/4%, bid 8 1/2%, offer 8 3/4%.

MONEY RATES

Table with columns: NEW YORK, Treasury Bills and Bonds. Rows include Lunchtime, Prime rate, etc.

LONDON MONEY RATES

Table with columns: Aug 8, Overnight, 7 days, One month, Three months, Six months, One year. Rows include Interbank Offer, etc.

FINANCIAL FUTURES

Volume moves to December

ATTENTION SWITCHED to the December short sterling contract in yesterday's Life market; over 13,000 lots changed hands for December delivery compared with less than 9,000 in September.

Never before has the near dated contract been superseded in volume terms by a later contract with as long as six weeks still to run before delivery. The switch in focus has been encouraged partly by sterling's firmer tone, but also by a growing perception that bank base rates are unlikely to be reduced until the end of the year at the earliest.

Table with columns: Series, Call-settlements, Put-settlements. Rows include LEFFE LONG GILT FUTURES, LEFFE US TREASURY BOND FUTURES, LEFFE EURO-DOLLAR FUTURES, LEFFE SHORT STERLING FUTURES.

CHICAGO

Table with columns: Series, Call-settlements, Put-settlements. Rows include US TREASURY BONDS, JAPANESE YEN, DEUTSCHE MARK, THREE-MONTH EURO-DOLLAR, SWISS FRANC.

BASE LENDING RATES

Table with columns: Bank, Rate. Rows include ABN Bank, Adair & Company, AAB - Allied Arab Bank, etc.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol, Last, Vol, Last, Vol, Last. Rows include Gold P, Gold F, Gold S, Silver C, Silver S.

But the switch to a variable rate tender was not regarded as a change in official policy. Commercial banks are expected to make bids below the official 7 per cent Lombard rate because there seems little pressure for a rise in rates. Call money was unchanged after the news, staying at 6.85-6.95 per cent.

In New York, the US Federal Reserve also surprised the market by not draining funds from the system through matched sale and repurchase agreements. Traders now believe that Monday's action by the Fed to drain reserves will be enough to enable the authorities to meet their monetary targets for the current accounting period.

Commercial rates taken towards the end of London trading. Belgian rate is converted from Franc rate. All other rates are for 30-day forward rates. 12 months 6.85-6.95 per cent.

UNIT TRUSTS

The Financial Times proposes to publish this survey on: 14 OCTOBER 1989. For a full editorial synopsis and advertisement details, please contact: Richard Beecle on 01-873 4181.

IG INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD

FT 30 FTSE 100 WALL STREET. Aug. 1962/1971 -9, Aug. 2347/2357 -11, Aug. 2697/2709 +7, Sep. 1972/1981 -9, Sep. 2359/2369 -9, Sep. 2707/2719 +7. Prices taken at 5pm and change is from previous close at 9pm.

CROSSWORD

No. 7,007. Set by QUARK.

Crossword puzzle grid with clues: 1 Not so rusty machine assembler (6), 2 Teacher of English or about money (6), etc.

JOTTER PAD

Table with columns: Bank, Rate. Rows include Bank of America, Bank of Canada, Bank of France, etc.

DOWN

- 1 Cloning around middle of lecture is trivial (6), 2 Branch supporter with strong roots (4-5), 3 Comfort guy losing head (6), 4 The judge's address in the action is misquoting (7).

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IG INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD. Tel: 01-828 7233/5699. An AFBD member. Reuters Code: IG1N, IG1O. FT 30 FTSE 100 WALL STREET. Aug. 1962/1971 -9, Aug. 2347/2357 -11, Aug. 2697/2709 +7, Sep. 1972/1981 -9, Sep. 2359/2369 -9, Sep. 2707/2719 +7. Prices taken at 5pm and change is from previous close at 9pm.

CROSSWORD No. 7,007. Set by QUARK. 1 Not so rusty machine assembler (6), 2 Teacher of English or about money (6), 3 Persons displaced ended with (6), 4 There's hardly any society slang (6), 5 Piece of wood partly useful at home (4), 6 PO includes special for a lout (10), 7 Bad hat - guy in short horn bad (7), 8 Put down certain test in a letter (6), 9 Way-out station (6), 10 Sound character (7), 11 How pupils are graded in school? (10), 12 Some out-of-kind safari (4), 13 Tail to disappear out of sight (5), 14 Schindler by play leader? (3), 15 In a manner that shows lip, thought (6), 16 Small feast (6), 17 Fit to wear? (6-4), 18 March 25 (6), 19 Rubber break glass vessel (6), 20 Put something down badly and lose (6), 21 Stubborn Wina produces mental disturbance (6-5), 22 Permitted variations changing once later (6), 23 Looked after a bird, being vigilant (4-4), 24 Such viewers can avoid the need for change (7), 25 Farlie people providing feeling of revulsion (6), 26 A number of detectives in charge need to be sharp (6), 27 Vehicle parking quibble (4), 28 Solution to Puzzle No. 7,006.

TOTAL VOLUME IN CONTRACTS: 62,624. A=Ask B=Bid C=Call P=Put.

WORLD STOCK MARKETS

Table with columns for country (Austria, France, Germany, Italy, Sweden), stock name, price, and change. Includes sub-sections for Austria, France, Germany, Italy, and Sweden.

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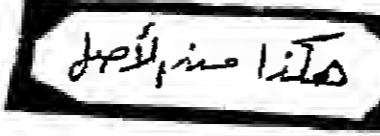
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CANADA

Table of Canadian stock market data including company names, prices, and changes. Includes sub-sections for Toronto and Vancouver.

NEW YORK DOW JONES

Table of Dow Jones Industrial Average data for New York, including daily and weekly performance metrics.

CANADA

Table of Canadian stock market indices and performance data.

NEW YORK ACTIVE STOCKS

Table of active stock trading in New York, listing volume and price changes.

TOKYO - Most Active Stocks

Table of most active stocks in Tokyo, showing trading volume and price movements.

AMEX COMPOSITE PRICES

Table of Amex Composite Prices for various commodities and metals.

INDICES

Table of international stock market indices from various countries.

WORLD

Table of world stock market indices and performance data.

Paper Assets advertisement with contact information for a financial services firm.

3pm prices August 8

Table of 3pm prices for August 8, listing various commodities and their prices.

3pm prices August 8

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table containing stock prices, organized into columns with headers like '12 Month', 'High', 'Low', 'Stock', 'Div', 'Yield', '100 Share', 'Low', 'Close Prev.', 'Open Close'. Includes a '3 Month' section on the right side.

Advertisement for Samsung Electronics featuring a computer monitor and keyboard. Text includes 'Reliable Computers', 'Renowned Monitors', 'Computers, SA & Telecommunications', and the Samsung logo.

Continued on Page 37

Josephine Lito

NYSE COMPOSITE PRICES

OVER-THE-COUNTER

Nasdaq national market. Spm prices August 8

Main table of NYSE Composite Prices with columns for stock symbols, prices, and changes. Includes sub-sections for 12 Month High/Low, Div. Yld., and Close Prev.

Table of Over-the-Counter prices with columns for stock symbols, prices, and changes. Includes sub-sections for 12 Month High/Low, Div. Yld., and Close Prev.

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AMERICA

Dow crawls through 2,700 level in active turnover

Wall Street

THE 2,700 level on the Dow Jones Industrial Average loomed very large throughout yesterday's morning session, proving a formidable barrier until mid-session, when the index managed to move just above this key point...

EUROPE

Frankfurt leads climbing party to further peaks

A STRONG day for Continental bourses saw West German shares advance to post-crash highs and Paris regain its fizz, writes Our Markets Staff.

managed to engineer a soft landing for the economy. Having performed poorly for most of this year, International Business Machines, a benchmark stock heavily favoured by individual and institutional investors alike, has started to move.

notably from the UK, then stepped in, and late in the day came news of a 14 per cent rise in first half sales at Peugeot. The car group's stock gained FF18 to FF920 in large volume of 136,000 shares.

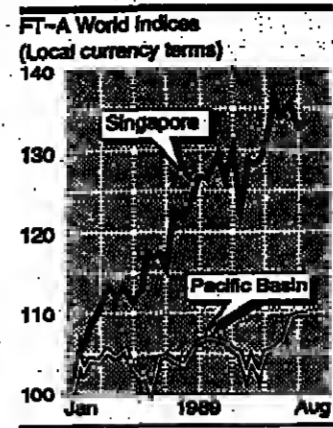
cyclical stocks included Dow Chemical, which moved 1/8 higher to \$97 1/2, and Scott Paper added 3/4 to \$51 1/4.

per cent, as it benefited from its recent stock split. ZURICH was propelled higher in active trading by foreign demand. The Credit Suisse index added 8.3, or 1.3 per cent, to 639.9.

Buoyant trade gives Singapore its bounce

William Cochrane considers the driving forces behind the market's recent popularity

THE SINGAPORE stock market has bounced back close to its post-crash highs in the past two days as healthy half-year corporate results and news of stronger than expected economic growth have renewed investors' confidence.



International trade has brought unprecedented prosperity to Singapore; this is the long-term reason for investing in the island, and why the market is standing on an historic price/earnings ratio of 22.

owed by Hong Kong, is actually dipping into the colony to get good people. The banks, DBS and UOB, have been advertising in Hong Kong for staff who would make the move to Singapore.

if Singapore is going to be seen as an important financial centre, increasing interest is bound to focus on the property market and domestic property companies.

ASIA PACIFIC

Nikkei picks up as regional markets surge

Tokyo SUMMER lethargy continued to plague the market, but a flurry of interest in specific issues left share prices higher yesterday for the first time in four days, writes Michiko Nakamoto in Tokyo.

faced a powerful opposition and the market has never liked uncertainty. Investors have been attracted by themes related to a rising Socialist Party, such as housing and anti-nuclear energy.

nology issues in Osaka supported a strong 223.04 point rise in the OSE average to 34,454.14. Activity was slack with 54m shares traded.

worth NZ\$66m. HONG KONG followed Wall Street and other international markets upwards, with property issues having another strong day.

Among the most sharply rising stocks were CRA, up 40 cents at \$10.50. BTR Nydex declined, however, losing 10 cents to \$55.90.

Table with columns: NATIONAL AND REGIONAL MARKETS, MONDAY AUGUST 7 1989, FRIDAY AUGUST 4 1989, DOLLAR INDEX. Includes various regional indices like Australia, Canada, Germany, etc.

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries.

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